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NEWS SUMMARY

GENERAL

Canada assesses election upset

...a is trying to assess the implications of the ...cular electoral upset ... swept the separatist Parti ...cois into power in Quebec.

...party was born out of the ...ist movement of the 1960s ... received worldwide publi... ...ith General de Gaulle's ... Montreal of "Vive le ... libre."

...party won 69 seats in the ... legislature, destroying ...eral Government of Mr. ... Bourassa, who lost his Montreal seat to Gerald ... a journalist and member ... Parti Québécois. Back ... Feature Page 29.

...osition ...rs win

...ion peers won the first ... over the Aircraft and ...lding Industries Bill by ...5, a majority of 108. This ... that certain shipbuilding ...ies would be able to hive ... ship repairing side of ...usiness. It relates in par... to Vosper Thorneycroft ...as expressed the inten... removing its ship repair ... from the scope of the ...isation measure and ... it as a separate ...

...nalist to be deported

...erican-born reporter on ...s Evening Standard was ... with notice of deporta... ...fter the Home Office ...him of obtaining infor... prejudicial to the safety ...unts of the Crown. Mr. ...osenball, 25, associated ...ortation threat with an ...e wrote in May for the ... Time Out on the ...gent's communications ...rters at Cheltenham.

PUBLISHER'S NOTICE

...pologise for the non... ...ance of the Financial ... yesterday due to unoffi... ...dustrial action by mem... ...f the Electrical and ...bing Trades Union.

...s ban stays

...policy is to continue the ... taking new orders for ... Chile, despite inquiries ...e possibility of buying ...re Oberon class sub... at an estimated cost of ...Page 8

...rver talks

...ure of The Observer may ...led soon. Mr. Rupert ... arrived in London from ... for discussions with ...odman, chairman of the ...r's trustees. Back Page

...hopes dashed

...as no hope of extending ...ent fisheries agreement ...land beyond the official date of December 2.

...le and ...

...itten—Benjamin Britten ...oser—is gravely ill with ...rating heart condition.

... Howard Spring, the ...nd widow of novelist Howard Spring, ...409 net in her will.

...ia has been told to with... ...m the Miss World con... Indian High Commission ...n said, but Mecca, the ...s, insisted she was still ...hearsing.

...aces

...burg: Death toll from ... reading through a gold ... risen to 12.

...BC starts a Welsh lan... ...rvice, Radio Cymru, on ...3.

... Scots company, Lawson, ...ed superhaggis. Made ...rs, lungs, lights, Scottish ...ripping, seasoning and ... weighs almost 60lbs and ...aten at a special dinner.

BUSINESS

Gold off $5.50; equities down 1.6

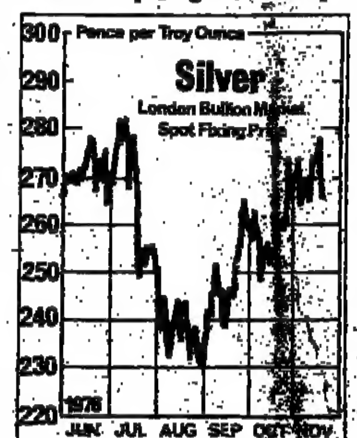
● GOLD fell $5.50 to $133.75 on profit-taking, after rising over $20 since the last IMF gold auction on October 27.

● STERLING gained 15 points to close at $1.6430. Its trade-weighted depreciation narrowed to 45.6 (45.7) per cent.; dollar's narrowed to 2.11 (2.28) per cent. Canadian dollar lost ground.

● EQUITY leaders drifted down before a late rally limited the day's losses. FT 30-Share Index, down 6.6 at 1 p.m., closed at 310.2, off 1.6. Gold mines fell in line with bullion, their index losing 10.4 to 140.6.

● GILTS showed slight losses at the short end of the market and the Government Securities Index eased 0.01 to 57.92.

● SILVER and base metal prices generally were unsettled by the sudden drop in gold. The spot



quotation for silver on the bullion market fell 12.45p to 265.8p an ounce at the day's fixing.

● WALL STREET was up 4.56 at 940.08 near the close.

● U.S. TREASURY bill rates at this week's auction: threes 4.890 (4.892) per cent., sixes 5.018 (5.044) per cent.

Bid to block oil price rise

● WESTERN nations are launching a diplomatic initiative to try to persuade oil-producing countries not to raise prices. Britain will put its views to Venezuela and probably also Saudi Arabia. Back Page

● SHELL AND ESSO face delays in development of their Cormorant oil field because of problems in building the production platform. Page 12

● PETROL STATIONS should stop using misleading signs such as "8p off," which do not indicate the price to be paid, said Mr. John Fraser, Minister of State for Prices and Consumer Protection. Otherwise, the Government would legislate to deal with the problem. Page 12

● INDUSTRIAL TRUCK industry may see further rationalisation. Coventry Climax and Rubery Owen Conveyancer say they are looking at the possibility of a close working relationship. Page 10

● POSTAL CHARGES for first and second class letters will be unchanged at least until the end of March, said Sir William Ryland, Post Office chairman. Page 12

● FOOD RATIONING could eventually result if good farming land continues to be taken over by the urban sprawl, said Lord Rothschild, former head of the Government Think Tank. Page 41

COMPANIES

● COURTAULDS boosted its exports by a third in the six months to September 30. Pre-tax profit slipped slightly to £21.8m. (£22.1m.). Page 31 and Lex

● WILLIS FABER dealings began, with an opening price of 192p. After touching 197p, the shares closed at 190p to give a market capitalisation of £76m. Page 30

PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...ss	24	+ 6
...ls	85	+ 3
...	210	+ 4
...roperty	31	+ 3
... Peat	137	+ 5
... E.)	401	+ 11
... (A.)	128	+ 5
...geration	47	+ 4
...inting	11	+ 3½
..."	42	+ 5
... (G. W.)	117	+ 7
... "A"	28	+ 4
...A"	19	+ 3
...cientific	111	+ 4
... Reeve Ang.	170	+ 12
BP	606	+ 6
Pancontinental	850	+ 100

FALLS

BATs Dfd.	213	− 5
Berkeley Hambro	58	− 4
Chapman (Balham)	75	− 8
Great P Estates	180	− 6
Harrisons & Crosfield	400	− 12
Hawker Siddeley	392	− 6
Morgan-Grampian	103	− 5
Mothercare	166	− 4
Petbow	120	− 9
Ultramar	98	− 4
Cons. Gold Fields	151	− 6
Coronation	66	− 10
FS. Saaiplaas	90	− 20
Marievale	80	− 8
Utah Mining	390	− 20
Western Mining	£15½	− 1½

Row over Rhodesia independence date threatens talks

BY DAVID EGLI : GENEVA, NOV. 16

THE DANGEROUS rift between Britain and the Patriotic Front delegations over Britain's refusal to set a firm date for Rhodesian independence within a year, to-day threatened the final breakdown of the talks aimed at setting up an interim government in Rhodesia.

This morning Mr. Robert Mugabe and Mr. Joshua Nkomo totally rejected Britain's compromise formula on the adte which, they claimed, "does not allow us to proceed into the next stage of the present deliberations."

This afternoon, Mr. Ivor Richard, the conference chairman, began consultations with other nationalist delegations on the structure of an interim government.

Both Mr. Nkomo and Mr. Mugabe have refused to join such discussions, leading to speculation that they could now withdraw from the conference.

There is no indication from either delegation that they will do this, but, were it to happen, Mr. Richard would have no option but to break up the talks.

Relations between the Patriotic Front and the British delegation have reached an all-time low. Discussions which Mr. Richard has had with the leaders of the two other black delegations—the Rev. Ndabaningi Sithole of ZANU, and the ANC leader, Bishop Abel Muzorewa—are viewed with deep suspicion by Mr. Nkomo and Mr. Mugabe.

They see this as a move to split the African camp further, leading to an inevitable deterioration—and eventually the collapse—of the Geneva conference.

Mr. Richard's view is that too much time has already been spent on negotiation on the actual date of independence. There have been no further consultations with the Patriotic Front on this issue, and apparently none have as yet been arranged.

The Front feels that it is up to Britain to make the first move, and would not indicate its strategy after this morning's tough rejection, beyond saying that they were waiting for Britain to come up with fresh proposals.

Obvious

In a statement to the 15-minute plenary session to-day, the Front claimed that the British Government had ignored the evidence it had produced, and the concessions it had made—"for no apparent reason."

"British intransigence," Mr. Nkomo told the meeting, "is inexplicable and therefore raises our suspicions."

It had become obvious, the Front said in an affirmation flatly rejected by Mr. Richard, that the British Government had no intention to transfer power to the "true representatives of the Zimbabwe."

Because of the imprecision and the equivocation in the British document, it was argued, discussions on setting up the transitional Government could drag on indefinitely — thus the nature of the document itself made it "futile to proceed to other matters."

Mr. Mugabe and Mr. Nkomo complained that a British working paper, The Shape of the Transitional Government, had been given to all delegations except the Patriotic Front.

Mr. Richard later said that the implication that he had been discriminating against the Front was "frankly, rather nonsense."

Certain delegations, he noted, had indicated they would welcome Britain's ideas on the framework of discussion on the structure of an interim government.

Despite this apparent deadlock, some African delegates believe that if Britain can now find a way of setting a specific date for the termination of the conference here, this could produce the breakthrough now desperately needed to save the talks.

A move thus to seal the end of the conference would certainly make Mr. Nkomo more amenable to continuation of the talks, and could bring the Front delegations into line with British proposals.

Callaghan doubtful about tax on dole

By Richard Evans, Lobby Editor

MR. JAMES CALLAGHAN, in the face of Conservative protests at lack of action, confirmed yesterday that Ministers were examining the possibility of taxing short-term unemployment benefits. He held out little prospect, however, that a suitable method would be found.

The Prime Minister pointed out that short-term benefits had been taxed in 1948, but this had resulted in such an administrative "dog's breakfast" that it had been dropped six months later.

He accused some newspapers of developing "a most squalid campaign which bears no resemblance to the reality of the situation."

There were anomalies in comparisons of income of those in work and those receiving benefit. "Nobody wants to deny that there is a problem here that has to be looked at, but stating there is a problem does not necessarily produce a remedy within 24-hours," Mr. Callaghan added.

After the exchanges it was learned that the problems of finding a suitable taxation scheme are considered by Ministers to be immense. Although Mr. Denis Healey, Chancellor of the Exchequer, and Mr. David Ennals, Social Services Secretary, have both hinted at the possibility of a scheme, several other members of the Cabinet and many junior Ministers are implacably opposed to any such move.

Warned

Mr. Callaghan's attitude yesterday was not to reject taxation of benefits on principle, but to underline what he seemed to regard as insuperable practical obstacles to its implementation.

The Commons row started when Mrs. Margaret Thatcher insisted that the Prime Minister had known about the problem for many months — he had certainly been warned at the time of the last Budget. "Are you going to take any action at all?" she asked.

Mr. Callaghan replied that the Conservative leader was now also descending to squalid tactics and reminded Tory MPs that they had recently been pressing for a review of benefits every six months based on the retail price index. "Who are the humbugs now?" he demanded.

Mr. Patrick Jenkin, the Tory social services spokesman, urged the Government to revive the tax credit proposals published by Mr. Edward Heath's administration as a way of taxing unemployment benefits. Had the Heath Government stayed in office tax credits would now be in operation, he said.

Parliament Page 16
Feature Page 18

Ford plant at Halewood again halted

BY ROY ROGERS, LABOUR CORRESPONDENT

CAR ASSEMBLY at Ford Motor's Halewood works on Merseyside came to a halt again yesterday when 2,000 body plant workers walked out in support of 24 of their colleagues who were suspended for taking extended lunch breaks.

Ford's new dispute stems from the management's campaign to boost flagging output at Halewood.

The management wants to stop what it sees as deliberate attempts by the workers, to restrict output in a move to get more highly-paid overtime. Several warnings have been sent to the 12,000-strong Halewood workforce during the past fortnight and some overtime has been stopped.

Yesterday 24 men—who rub down the lead finish on the car bodies—were suspended for three days for starting their lunch break 20 minutes early. They received written warnings for a similar offence on Monday.

As a result of the suspension, all 2,000 body plant workers stopped work yesterday and are expected to stay out until Friday. Because of this action, 1,500 assembly workers have been made idle and car production is at a standstill although the adjacent transmision plant remains unaffected.

Production of 900 Escorts is expected to be hit by Friday, taking the total loss this month to about 2,900 cars, worth more than £5m. in retail terms.

In adition to poor productivity, which has cut the 1,000-a-day target down to 800, Halewood has been affected by several disputes, two of which were only resolved on Monday.

Fifty body plant workers on strike last week in support of a colleague dismissed for allegedly refusing to obey instructions and threatening a foreman returned on Monday morning. The man remains dismissed, although there will be talks on the matter later this week.

On Monday's night shift, 24 paint shop workers returned after reluctantly accepting a management demand that the manning of one section is reduced from seven to six.

The management is clearly determined to keep the pressure on the Halewood workers to raise productivity to the level of Dagenham where workers were recently complimented for their efforts.

At Chrysler, Coventry, 800 men were made idle yesterday by a strike of toolmakers who are rejecting management attempts to get them to work alongside the production lines instead of in the toolroom. The management argues that if they remain alongside the line they can be on hand more quickly to repair plant breakdowns.

● Chrysler Alpine output was also at a standstill when the company's Ryton factory at Coventry was hit by a dispute—the second this year. The Ryton plant has been almost trouble-free since the Government-backed rescue in January. This involved setting up Alpine assembly lines using mainly French-made components.

Leyland productivity Page 15

Strike survey alarm

BY CHRISTIAN TYLER, LABOUR STAFF

A NUMBER of Government Departments are looking with alarm at an official strike survey which lists areas of Britain in order of their militancy.

At least three Departments—Industry, the Welsh Office and the Scottish Office—are believed to have said they do not want the survey published because of the damage it might do in deterring British and foreign companies from investing in the most strike-prone areas.

The survey is understood to show that Merseyside and Glasgow—two areas of high unemployment in greatest need of new investment—are by far the most strike-prone in the U.K. Lower down the list come areas South Wales and Teesside.

Spokesmen for the Department of Industry and the Welsh Office confirmed the existence of the report, which they said emanated from the Department of Employment and had been sent on for their consideration. But they would not comment on the figures, which they said would be published at the end of the month, unless a Civil Service dispute delays publication.

Behind the scenes there has been much argument about the desirability of giving official endorsement to such "discriminatory" statistics, even though the strike-proneness of certain areas may have become part of British industrial relations folklore.

The main danger, according to officials of these Departments, is that the figures will be misconstrued by the public and by potential investors.

Initially they wanted the survey kept out of the public prints. Now, apparently, they have agreed it cannot be suppressed, but are hoping that the

Continued on Back Page

Carter likely to favour new talks on sterling

BY DAVID BELL WASHINGTON, Nov. 16.

THE INCOMING Carter Administration is likely to favour new talks on the future of sterling balances.

A major purpose of Mr. Harold Lever's visit here is to sound out the President-elect's advisers on their views about Britain's economic problems and the apparent slowdown in the world economic recovery.

This has become clear over the past two days. Mr. Lever has called on at least two members of Mr. Carter's transition team who specialise in international economic issues.

But he is also well aware that the present Administration remains in control until January 20 and the list of senior Administraion officials that he has been seeing reflects ...

Mr. Carter's transition team has only recently been formed and has yet to make any firm policy decisions.

But it is understood that his advisers generally support the idea of a new initiative on the sterling balances and that they also believe that the U.S. may have to take the lead early next year in pressing Germany and Japan to join it in giving some fresh stimulus to their economies.

Mr. Lever continued his consultations this morning with a visit to the White House, where he delivered a message to President Ford from Mr. James Callaghan.

No statement was issued after the meeting which followed discussions yesterday with Dr. Henry Kissinger, U.S. Secretary of State; Dr. Arthur Burns, Federal Reserve chairman, and Mr. William Simon, Treasury Secretary.

At each of these meetings it is believed he was assured of strong U.S. backing for the British application to the International Monetary Fund which is now being negotiated.

The present Administration, while well aware that the sterling balance problem may need to be tackled, is still inclined not to begin discussing it in any detail until Britain has accepted the IMF's terms and put into effect whatever policies may be needed to implement them.

Mr. Lever is not seeing any IMF officials while he is here.

While Mr. Lever has been careful to be extremely diplomatic, it is clear that he and his advisers attach considerable importance to his talks with Mr. Carter's advisers.

Mr. Lever has spent some time at the Brookings Institution where a number of Carter advisers have been working and still have their offices.

In particular, he has seen Mr. Fred Bergstein, head of the international economics section of the transition team, and Mr. Joseph Peckman, another Carter economic adviser.

These and other advisers have

Continued on Back Page

CEGB chief goes next year

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

SIR ARTHUR HAWKINS, who has been a vocal critic of growing Government intervention in nationalised industries' affairs, has been told that he will not be reappointed as chairman of the Central Electricity Generating Board when his term of office ends next June.

It is understood that Sir Arthur, who is still only 63, although he has 44 years of experience in the electricity supply industry, wanted to stay on for a few more years.

But like Sir Monty Finniston, former chairman of the British Steel Corporation, and British Rail's former chairman Sir Richard Marsh, who did not have their contracts renewed, he often clashed both with Ministers and their senior civil servants.

Only last September Sir Arthur publicly took to task Mr. Anthony Wedgwood Benn, the Secretary for Energy, for not acting quickly enough on the Plowden Report, which suggested how the electricity supply industry should be restructured.

It was Mr. Benn who announced last night that Mr. Glyn England, 55, present chairman of the South Western Electricity Board, will become the CEGB chairman on June 30 next year for a five-year term.

The CEGB claims to be Britain's largest industrial business in terms of assets employed (£4.4bn.). Last year taxable profit was £59m. on a turnover of £2.7bn. in spite of a dramatic fall in electricity consumption. This slump in demand forced the CEGB to make a 4.4 per cent. cut-back in employees—the present number is 63,000. Profits in the current financial year are expected to at least match the £59m.

Like Sir Arthur, Mr. England has spent all his career in the electricity supply industry.

Mr. Benn also announced last night that Mr. Austin Bunch, present chairman of the Southern Electricity Board, is to be deputy chairman of the Electricity Council for five years from December 1.

State intervention in industry and continuing growth in public spending were strongly criticised by Sir Frank McFadzean, British Airways chairman. The Government had become a vast industrial conglomerate, without purpose and largely devoid of a system of financial control. Back Page

£ in New York

—	Nov. 16	Previous
Spot	$1.6370-6380	$1.6320-6330
1 month	1.35-1.30 dis	1.54-1.47 dis
3 months	4.09-3.99 dis	4.32-4.24 dis
12 months	13.35-13.26 dis	13.65-13.45 dis

ON OTHER PAGES

LOMBARD

Mr. Healey's new allies

BY ANTHONY HARRIS

ONE OF the odder developments in the current debate on economic and financial strategy is the emergence of a new economic orthodoxy, which appears to turn the usual criticisms of Government policy inside out.

It was expressed on Monday in an article in *The Times* signed by a whole list of distinguished economists, many of them with recent Whitehall connections, including Professors Wilfred Beckerman (DEA and the old Board of Trade) Alan Peacock (Department of Trade) and John Williamson (Treasury and IMF), as well as Mr. John Flemming (Bank of England), Maurice Scott (a long list including the Cabinet Secretariat, NEDO and the OECD) and two Professors from Exeter and Essex who are apparently purely academic. Collectively they seem to constitute an almost archetypal Economic Adviser, and it is safe to say that there are actual advisers in Whitehall, Paris and Washington who would agree with most of what they say.

This is a thought which the City may well find alarming: for what they offer is virtually a blanket endorsement of the Government present *fiscal* strategy, coupled with a condemnation of most aspects of the Social Contract. The City's reaction to a Government announcement that the borrowing requirement was to be held at its present level, for fear of excessive contraction of the economy, while the Social Contract was to be abandoned in order to restore incentives and wage differentials, can readily be imagined.

Assertion

The ostensible purpose of the panel, an *ad hoc* grouping, is to refute the New Cambridge case for import controls; but since the New Cambridge view rests partly on the assertion that the borrowing requirement can only be reduced behind the protection of controls, the refutation involves arguing that it need not be reduced at all; and since New Cambridge regards the level of unemployment as evidence of excessive deflation, the refutation is strengthened by arguing that unemployment is largely due to excessive pay for the unskilled and to high welfare benefits—both cornerstones of the agreement with the TUC. Thus a discussion of import controls brings in the whole strategy.

So far as the borrowing requirement is concerned, the panel concludes that "so long as private savings remain high, corporate liquidity low, a collective oil deficit persists and the economy remains slack, it is perfectly rational to plan for a substantial Budget deficit (especially when the size of the deficit is swollen by our archaic accounting conventions)." This is a vague statement; but since they argue further that while it would be a good thing to cut public spending, there should be corresponding tax cuts, it is clear that they regard the present prospective deficit as somwhere near right.

Endorsement

Indeed, they go further, and argue that "firm pursuit of the existing strategy can be expected to be successful in due course in the limited objectives of restoring the balance of payments, coupled with industrial recovery"—the warmest endorsement the Chancellor has received for a very long time, as his colleagues in Parliament will no doubt be reminded fairly frequently. I doubt that Mr. Healey would regard these as "limited" objectives either: more like dreams come true. In the last resort, their refutation of Mr. Godley boils down to an assertion that everything is already going nicely.

At this stage I will offer only one comment on their analysis: the idea that the difficulty of financing the borrowing requirement is purely a matter of *presentation* shows an incomprehension of financial markets which is astonishing from experts with this background. Archaic financing, certainly—as I never tire of arguing; but archaic accounting actually gives an accurate measure of the financing burden under present methods.

However, this cavalier attitude to financial markets is characteristic of many official advisers, and I repeat that the basic assessment — condemnation of the Heath-Barber expansion, support for the present strategy —is based on thinking very like that prevalent not only in Whitehall, but in some quarters in the IMF and the OECD. Those expecting our creditors to push us back on to what the City or Sir Keith Joseph would regard as a virtuous path should maybe hedge their bets.

RACING — BY DOMINIC WIGAN

Outpointing Charlie Murphy

FEW HORSES this season have created a better first impression than Charlie Murphy, who made a winning debut in Plumpton's Autumn Novices' Hurdle three weeks ago. It will be interesting to see how Josh Gifford's five-year-old fares to-day against considerably stiffer opposition in the November Hurdle at Kempton.

I shall be more than a little surprised if he does not again give his supporters a good run.

Towards the back of the 18-runner field in the early stages at Plumpton, Charlie Murphy moved up smoothly in the hands of a confident Mr. George Sloan between the final two flights and quickly surged clear of his closest pursuer, French Rebel.

Although the runner-up failed to pay much of a compliment to that form at Sandown on October 30, going down by 20 lengths to the winner, Kas, when fifth in a Philip Cornes hurdle qualifier, Charlie Murphy could do no more than score at Plumpton with consummate ease.

Now that Mr. Large and William Penn have both come out, the race seems likely to develop into a duel between Charlie Murphy and the more experienced *Outpoint*.

KEMPTON
1.00—Napoleon
1.30—Royal Halo
2.00—Outpoint***
2.30—Master Spy**
3.00—Napoleon Brandy
3.30—Doris's Choice

LUDLOW
1.15—Coffee Bean
1.45—Mickey Mouse*
2.15—Toll Bridge
3.45—Scot Free

This six-year-old — a powerfully made son of the dual Ascot Gold Cup winner, Fighting Charlie — met with little luck last season, finding one too good in each of his three races. However, he did not take long in getting off the mark this term, defeating the talented Uncle Leslie, to whom he was giving 5 lbs, by half a length in the 22-runner Chequers Opportunity Hurdle at Newbury a fortnight ago.

That was a particularly encouraging effort from Outpoint, who was fully fit, and with a 4 lbs advantage over Charlie Murphy he may just have the edge.

Captain Tim Forster, whose 50-strong team is enjoying such a profitable spell, has elected to saddle *Master Spy* for the Flyover Novices' Chase instead of Ringchat.

The move may well be a significant one. Master Spy gave a particularly polished performance at Windsor recently, where he never looked to be in the slightest danger of defeat in a Berni Inns qualifier. A reproduction of that form would put him in with a chance second to none.

Two other likely looking winners for Forster are *Coffee Bean* and *Mickey Mouse*, who go respectively for Division 1 of the Halford Novices' Hurdle, at Ludlow, and the Ludford Chase there half an hour later.

SALEROOM — BY ANTONY THORNCROFT

Bishop's coins go for £68,000

THERE WERE three successful sales at Christie's yesterday. In the first gold boxes and miniatures totalled £137,073, with a Belgian dealer, Van Damm, paying £19,000 (plus the 10 per cent. buyers' premium) for a Louis XV gold snuff box decorated with scenes from La Fontaine's fables. The price was well up to forecast.

Van Damm also purchased a George III enamelled gold snuff box by James Morisset for £18,000, about double the target. A Swiss gold and enamelled "magician" musical box of 1810 went to Grauss for £13,000, compared with an estimate of between £2,000 and £3,000.

Koopman paid £7,000 for a Russian gilt and enamel casket. He also gave £4,800 for a Russian nephrite clock, made by Fabergé, which had been given by Czar Nicholas II to Captain Jones, who saved the lives of two Russian seamen in the Russo-Japanese War of 1904-05.

Christie's also organised an auction of Papal coins and medals which belonged to a Bishop. All the lots sold for a total of £68,472. An Innocent XII scudo d'oro of 1694, which is believed to be unique, went to an Italian dealer for £5,800, more than double the forecast. A mid-16th-century Paul III Doppio Ducato was bought by Spink for £5,500. An Italian dealer paid £4,800 for a Clement IX two scudi d'oro of 1710.

The first part of a sale of netsuke from the collection of an American museum raised £65,643, with one lot unsold. A late-18th-century ivory netsuke of Shoki was bought by D. Wright for £6,000, the highest price paid at auction for an unsigned netsuke.

Sothebys Belgravia held a large sale of Victorian paintings which totalled £191,343. A Tissot "Waiting for the Boat" sold for £5,800, and a Burne-Jones gouache, a designe for a tapestry on the Holy Grail, went for £5,200.

In Sotheby's Bond Street auction rooms, Chinese works of art brought in £115,520, and arms and armour £40,283. Vandekar gave £4,000 for a tureen, cover and stand, of European design, dating from the 18th-century. The same price was paid for a massive carved jade vase and cover.

Among the armour Elderkin, a Lincolnshire dealer, bought a pair of sporting guns by Purdey and Sons for £5,000, and one gun by Churchill for £2,100. A pair of pocket pistols of 1820 went for £1,270.

The Bonham's jewellery sale raised £41,175, with 9 per cent. unsold. A single stone diamond ring doubled its forecast at £2,300. A 19th-century fan, set with precious stones, was bought by an Italian dealer for £1,300.

On Monday there were three momentous incidents in the salerooms. The Fox Photo Archive, one of the most historic of the photographic [illegible], failed to find a buyer in a sale by tender organised by Sothebys. Offers in the region of £295,000 were expected for the 500,000 black and white negatives, and £75,000 for the colour transparencies. Offers were below target. Not that Fox is worried. The publicity surrounding the sale has boosted business considerably.

At Christie's a Persian dagger, with an ornate scabbard enamelled with flowers, sold to Aria Antiques of New York for £48,000, while a Tiffany lamp went to El Zenny, a Middle Eastern buyer, for £18,000, the highest price ever paid in the U.K. for a Tiffany lamp. A 10 per cent. buyer's premium must be added to both prices.

At Sotheby Mark van Waay in Amsterdam on Monday a world auction record of £113,939 was paid for a painting by David Teniers, the younger. It was a genre scene, and almost doubled the best price for the artist.

BBC starts Welsh radio

THE BBC will start a new Welsh-language radio service, Radio Cymru, on January 3.

Listeners in Wales will be offered programmes in two languages. Radio Cymru will broadcast in Welsh on VHF at the same time as English-language broadcasts are transmitted by Radio Wales on medium-wave, the Corporation said yesterday.

GARDENS TO-DAY — BY ROBIN LANE FOX

Elms may be doomed without a freezing winter

SIGNS OF a cold winter must be welcome if you care for the country's trees. The female beetles which have been killing our elms are said to dislike a long hard frost.

Perhaps cold weather has been brought into the argument because there is no other cure to which we can look. But as I watch the elms turn brown along the nearby ridges, I can only put my faith in frost to save my four tall elms.

They are swathed in two lines of telephone wires beside a public highway, which also happens to border my vegetable garden. I have heard it said that trees between telephone-wires tend to be spared by beetles, at least since the cost of a telephone call became a deterrent. Now that the Post Office is cutting its charges, my elms may be doomed next year—unless, of course, we have a freezing winter.

Believing that the crop of red berries is supposed to predict something, I am pleased to see such a fine show on the many cotoneasters. November is a miserable month for gardens, but the common cotoneaster called Horizontalis is one of its few saving graces.

A few years ago, I was impressed with the variegated variety of this familiar plant, grouped beside a dank north wall in a West Country garden. The leaves rae so small that the light edge of cream-white in the variegation dominates the plant's appearance. Like most variegated plants, it is not so robust as the plain variety.

So tough is the normal "fish-bone" cotoneaster that this moderation is convenient. I cannot think why it is not more popular on banks, in open shade or below those drab terrace walls which pre-war builders liked to force on houses in suburbs.

Surprising

Hilliers of Winchester, Hants., will supply it. It would make a better Christmas present than another book on Astrology in Your Vegetable Garden. It would also be cheaper.

Cotoneasters are a surprising family. They have a slightly peculiar way with their genes which blurs the line between hybrid and species and puzzles botanists' definitions. They belong to the family of the rose. Mostly, they live in the Himalayas or China, for all their familiarity in modern town gardens. They will grow almost anywhere.

They have been improved and varied by attentive breeders and gardeners to better effect than any other shrubs outside the big prize families. Yet they are not especially popular.

My wife, who has an unbroken faith in my ability to fill up our borders with shrubs which ought to be interesting, but never are, is waiting for the day when I tell her that it has to be cotoneasters, because there simply is not anything evergreen, lime-loving, easy and dense which we have not tried. She will then seize the catalogue, pronounce my policies bankrupt and proceed to choose all the shrubs which seemed to me to be too slow or too troublesome.

I think that the sight of Horizontalis on too many walls has put her off their family relations. I also suspect that the first generation of landscape design-structurers to be trained in polytechnics were indoctrinated with the merits of cotoneasters. Believe me, it is a lecturer's dream, a Latin name which the audience knows and a plant whose virtues read superbly. It is most unlikely to fail. But its repeated presence on roundabouts, outside civic buildings and in all those areas "blocked in" with mixed planting on city plans does tend to put one off it.

Invaluable

The smaller varieties may persuade you to be won over to the family again. If you want to block out weeds in a shaded border, you should consider the cotoneaster called Dammeri, a plant which hugs the ground, retains its leaves throughout the year, bears a few berries and allows no space to intruders.

A Swedish variant, called Skogholm, is smaller, flatter and invaluable if you want to carpet the front of a bed and forget it after two or three years. Its thick stems will round themselves over stones or bumps in the ground: the rounded leaves are most attractive.

I have seen it planted between the risers of grand garden steps, where it is clipped into a green wall of leaves, defining each stage to the top.

Like Box, you can use it to match stonework. It is cheaper, as it roots freely along its stems and can therefore be multiplied by rooted layers. It does not bear many berries. For those, you are advised to try the smallish Donard Gem, from Scotts Nurseries, Merriott, Somerset.

This low bush spreads widely and has a paler gr[illegible] green leaf which is n[illegible] sombre. Birds show no in[illegible] in my young plant's good [illegible] of berries, but I expect the[illegible] diverted by other attractio[illegible] I cannot guarantee [illegible] indifference.

Rising above ground le[illegible] depart with the warning [illegible] varieties with names [illegible] Congesta Nana do not r[illegible] congested or dwarf for very [illegible] as the cotoneaster has the [illegible] of many "dwarf" co[illegible] However, I think we shou[illegible] make more of the [illegible] varieties as wall shrubs. [illegible] belongs on a shaded north [illegible] Ivies, climbing hydrangea, [illegible] roses: you know the qu[illegible] and answers, but you may [illegible] look the bright berries [illegible] more recent deciduous [illegible] easters.

Too gaunt

I think of the red-be[illegible] cornubia a tall shrub whic[illegible] be given width and heig[illegible] least on a wall. I have se[illegible] at its best even in early [illegible] in Wisley gardens and al[illegible] its shape is rather too ga[illegible] open borders, it takes we[illegible] wall where the paler und[illegible] of its leaves are handsom[illegible] you want an everygreen, [illegible] red-berried Henryana and [illegible] it to grow informally aga[illegible] background. Its leave[illegible] willowy.

By now, you should be [illegible] to leave the wall and tr[illegible] group in an open site. I [illegible] deny the elegance nor th[illegible] of the pale yellow-[illegible] Exburyensis or the [illegible] berried Franchetii or [illegible] But to me they remain [illegible] class.

Massed against the bou[illegible] of difficult suburban gar[illegible] isolated in a dark town [illegible] they are welcome and ver[illegible] some. But for my taste, th[illegible] there, partly because [illegible] texture of their leav[illegible] because they have neith[illegible] solidity of evergreens [illegible] grace of a deciduous tree.

The yellow berries, esp[illegible] are charming and their s[illegible] is never in question. If t[illegible] predicting long hard fros[illegible] they fruit, then so mu[illegible] better for next yea[illegible] cotoneasters, to my eye, [illegible] near the ground or [illegible] difficult background. Wh[illegible] city planner would ha[illegible] second-best, even an ev[illegible] second-best, in a site wh[illegible] could plant Magnolia?

APPOINTMENTS

Board post at Thermal Syndicate

Mr. W. H. N. Wilkinson, a director of Kleinwort Benson, has been appointed to the Board of THERMAL SYNDICATE.

★

Mr. John O'Hara is to become president of the READER'S DIGEST ASSOCIATION on January 1 and will be based at the headquarters in New York. He succeeds Mr. Kent Rhodes, who will be chairman of the Board of the association. Mr. Hobart Lewis, chairman since 1973, retires at the end of this year.

★

Mr. Richard H. Amis, chairman and chief executive of Alfred Booth and Co., has become chairman of T. and E. Homes, a member of the group, following the retirement of Mr. D. J. Harrington. Mr. D. C. Brown has been made managing director of T. and E. Homes. He was previously general manager.

★

Mr. Peter Judd and Mr. Dennis Woodman have joined the Board of TRUBENISED (SALES).

★

Mr. John S. Leppington has been appointed sales director of the BROCKMOOR FOUNDRY COMPANY.

★

Mr. Robert S. MacAlister has been appointed president of OCCIDENTAL INTERNATIONAL OIL INC., based in London, which is the eastern hemisphere services company for the oil and gas division of Occidental Petroleum Corporation. Mr. MacAlister was previously executive vice-president and general manager of Occidental of Britain Inc. and Occidental of Scotland Inc.

★

Mr. Graham Cooper has been appointed managing director of the steel strip division of the FIRTH CLEVELAND sub-group of GKN, and chairman of Firth Cleveland Steel Strip, J. J. Habershon and Sons, and Geo. F. Homer (Redditch). He has also been appointed to the Boards of Firth Cleveland Steels Inc. (U.S.) and the Edmonton Steel Strip Company. Mr. Cooper has recently returned from India where he was general managing director of Guest Keen Williams.

★

Professor Keith Alan-Smith has been appointed director of the new LONDON REGIONAL MANAGEMENT CENTRE, which is based at the Polytechnic of Central London. The independent chairman of the new RMC's council is Sir John Chadwick. Other council members are Sir Ashley Brammall, Mr. J. S. Bevan, Mr. John Bruce Lockhart, Lord Mottistone, Mr. D. Gold, Dr. D. E. R. Golfrey, Mr. H. Osborn and Mr. David Liston.

★

Mr. C. J. Frost and Mr. D. G. Reynolds have joined the Board of DEXION-COMINO INTERNATIONAL.

★

Mr. Stephen Nussey and Mr. David Monk have been appointed assistant vice-presidents in the London branch of SECURITY PACIFIC BANK.

TV Radio

† Indicates programme in black and white.

BBC 1

9.15 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Fingerbobs. 2.01 For Schools, Colleges. 3.53 Regional News (except London). 3.55 Play School. 4.20 The Wombles. 4.25 Jackanory. 4.40 The Record Breakers. 5.05 John Craven's Newsround. 5.10 The Canal Children. 5.35 Ivor the Engine.
5.40 News.
5.55 Nationwide.
7.00 The Superstars.
8.10 Softly, Softly: Task Force.
9.00 News.
9.25 Last of the Summer Wine.
9.55 Sportsnight: World Cup, Italy v. England.
10.55 To-night.
11.35 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.10 p.m. Mae Gen I Stori. . . . 5.30 Crystal Tipps and Alistair. 5.55-7.00 Wales To-day. 7.00 Heddiw. 7.20 Pen Ei Dennyn. †7.50-8.10 Laurel and Hardy in "Them Thar Halls." 9.55-10.55 Sportsnight Wales: World Cup, Scotland v. Wales. 11.35 News and Weather for Wales.

Scotland—10.23-10.43 a.m., 2.18-2.38 p.m. and 2.40-3.00 For Schools. 5.55-7.00 Reporting Scotland. 9.55-10.55 Sportscene: World Cup, Scotland v. Wales. 11.35 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-7.00 Scene Around Six. 11.35 News and Weather for Northern Ireland.

England—5.55-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

10.35 a.m. Nai Zindagi Naya Jeevan.
11.00 Play School.
2.00 p.m. Tennis: Benson and Hedges Championships.
7.00 News on 2 Headlines.
7.05 Simple Science.
7.30 Newsday.
8.10 Tennis: Benson and Hedges Championships.
9.00 Arnhem: The Story of an Escape based on the book "Travel By Dark" by Graeme Warrack.
10.35 Arena: Cinema: London Film Festival.
10.55 I, Claudius.
11.50 Late News on 2.

LONDON

9.30 a.m. Schools Programmes. 12.00 Here Comes Mumfie. 12.10 p.m. Pipkins. 12.30 Mr. and Mrs. 1.00 News. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 3.20 About Britain. 3.50 Emmerdale Farm. 4.20 The Sooty Show. 4.45 Pop Quest. 5.15 London Scene, introduced by Jeremy Thorpe. 5.30 Sportscene.
5.45 News.
6.00 Today.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Wednesday at Eight.
9.00 Our Young Mr. Wignall.
10.00 News.
10.30 Wednesday Special: "The Direction of Science" with Sir Bernard Lovell.
11.15 World Snooker.
11.45 Police Story.
12.40 a.m. Close: Tony Bridge meditates on the Old Masters.

All ITV Regions as London except at the following times:—

ANGLIA

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

RADIO 2

RADIO 3

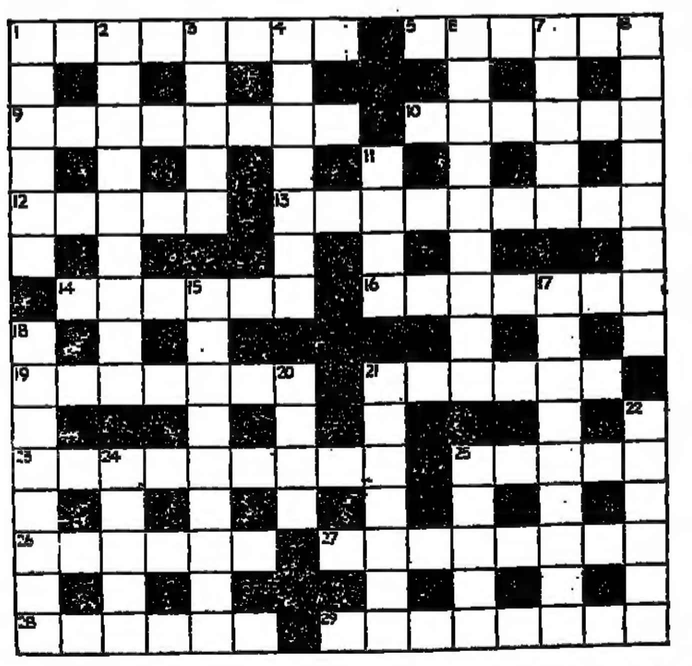
RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,236



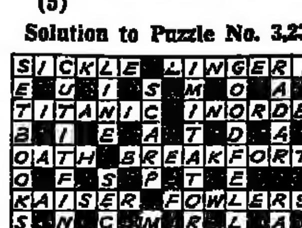
ACROSS

1 Engineers hold entertainment in places of privacy (8)
5 Fish for the girl aboard (6)
9 Co-operate in the field of sport (4, 4)
10 Catchword to record in the sick quarters (6)
12 By no means sounds like expertise (5)
13 Hints for close friends (9)
14 To a sailor the irrational is ridiculous (6)
16 A girl of birth, that is (7)
19 Robs the Common Market in a return of self (7)
21 Diet fatal to Henry King (6)
23 Redhead goes with father for a drink (6-3)
25 Tense situation involving doctor and a master (5)
26 Disorientated like a salver (6)
27 Pines, maybe, in forensic breakdown (8)
28 Note the fruit is spotted (6)
29 A cut in school produce (4, 4)

DOWN

1 "So why should I to-day—because the laurel is not mine?" (Bangs) (6)
2 Everyone in the list can be instructed (9)
3 Joint raised by the drinker (5)
4 Matched—united everyone within (7)
6 Must we now say a miss is as good as this? (9)
7 Intoxicated compact (5)
8 A relative gets round in what is left (8)
11 Heads go up in surprise (4)
15 Kruger, relatively speaking (5, 4)
17 Pay attention when Antony asks you (4, 2, 3)
18 Start with train official unawares (3, 5)
20 Springs up with simpletons (4)
21 Taste wine for a second (7)
22 The Women's Service in the Cup—what sauce! (6)
24 Still in bed after two hops at Wimbledon (3, 2)
25 "— on the passing world to turn thine eyes" (Johnson) (5)

Solution to Puzzle No. 3,235



York

...e new concert hall by ANDREW PORTER

...rmonic Hall, the home ... New York Philharmonic, ... in 1962 and was unhesita... ...eclared an acoustic dis... ...eo T. Beranek, the man ...ble for its sound, claimed ... could put it right, but he ...t given the chance. ... other people tried ... remedies, in 1963, 1964, ...d 1972, but none of them ...fect more than marginal ...ments. The orchestra's ... declined. The visiting ...as—Boston and Phila... play a regular New York ... Chicago and Cleveland ...ng about four concerts ... season—used Carnegie ...ich has good acoustics. ...ly, I avoided Phil...c Hall except when the ... of the programme made ... imperative; with Boulez ...e, such visits were quite ...cessary.

...ummer, the auditorium ...olished from floor to ceil...in its outer shell, and ...e was built, at a cost of ...4m. The architects were ...ohnson, and his partner ...rgee, and they worked ... prescriptions of the ... genius Cyril Harris, who ... Metropolitan Opera ...e excellent concert hall ...a house of Washington's ... Center, and, above all, ...ierful new concert hall ...apolis, seating 2,573, to ...t. Harris worked to a ... and sensible plan. ... that most admired ... the past—such as ... Musikvereinssaal ... Boston's Symphony Hall ... Leipzig's Neues Gewand...86; bombed in 1943)— ...tangular in shape with ...ors, canopies or curves, ...allow balcony or bal...ound three sides, a ... ceiling, wall surfaces ...y heavy window frames ..., and much wood and heavy plaster in the construction, Dr. Harris built his halls in a similar way. So far as I know he has not had a failure yet.

The new Avery Fisher Hall (Philharmonic Hall was thus renamed after a patron who gave $19m. to Lincoln Center and the Philharmonic in *1973*, and added to it to pay for the rebuilding of the hall) is an out-and-out acoustic success. It took five months to build and reopened last month with a gala concert of *The Firebird* (the big 1910 score) and the Brahms Violin Concerto (soloist Milstein). The first of the regular concert programmes was Mahler 3, the second contained Berg's Violin Concerto (soloist Leonid Kogan) and Messiaen's *Et exspecto*, with its bright blaze of brass and percussion and shuddering tam-tam crashes. A piano has still to be heard: everything else—the chamber-musical sonorities of the Berg, the distant posthorn of the Mahler, the alto soloist (Yvonne Minton, in glowing voice), the choir, the two violinists, and the variously hued soft passages and huge climaxes of Mahler, Messiaen, and Stravinsky—could be heard to perfection.

All those rather imprecise terms used to describe admired acoustics can be applied; warm but not mushy, bright but not harsh, resonant but not soggy, distinct but not dry or brittle, blended but not coagulated, lively but not hard. One can hear where *any particular* sound comes from and at the same time hear it stealing through all the hall. (A more precise way of putting it is that direct sound and reverberant sound are in balance.) The hall has dynamic range: very soft playing is audible, and very loud tutti are "overwhelming" in the right sort of way—physically exciting without being an assault on the eardrums. Berlioz used to complain that most music was played in spaces too large for it: "One hears, but one does not vibrate." Fisher Hall is large—it seats 2,742—but one does vibrate; one can feel the hall alive through the soles of one's feet. And the quality seems to be equally good wherever one sits.

Moreover, the hall allows beautiful sound to be heard as such. Beauty of timbre, *Klangschönheit*, is neither a Boulez nor a Philharmonic speciality, but there has been some. Miss Minton provided it; John Ware's posthorn did; so did Lorne Munroe's cello solos in the Adagio of Mahler's Ninth Symphony (heard at a preliminary concert, given for the builders of the new hall and their families). The Philharmonic players, it is generally agreed, had to force in the old hall, and could not really hear what they sounded like. What happens during the forthcoming season (under the new British leader, Rodney Friend) will be interesting to observe.

The old hall, designed by Max Abramovitz, gave the impression of being a long funnel. If one was close, the orchestra sounded ill-balanced; if more than half-way back, distant. It was an optical illusion (the new hall is just about the same length; it too has 43 rows of seats, from A to SS) but an acoustical fact. Now, even at the back out of the hall one does not seem to be out *of touch*. The floor slopes down gently toward the platform, and the ceiling is roughly parallel. This is a departure from the traditional design—Vienna and Boston have flat floors and horizontal ceilings—but has had no bad effect on the sound. In short, Avery Fisher is a hall that ranks among the very best in the world. It has no organ (but the organ in the old hall was seldom used); the orchestra-house is cased in oak. Dr. Harris has designed the place as a resonant box from which no sound can leak.

In appearance, the hall is glittering. The semi-cylindrical fronts to the three tiers—like fat bolsters, or sections of pipeline—are gilded with raw, bright gold, very different from the dusky glint of the gold in Covent Garden or the Vienna State Opera, and the new ventilation system will doubtless ensure that it is not dulled by dust. A broad band of gold frames the orchestra, and is repeated at each step-in of the platform walls. Rows of naked bulbs, penny-arcade fashion, line the tiers, and during the music cast a golden glow by which it is possible, just, to follow scores. The seats are comfortable, wood-framed, and upholstered in a gold-coloured cloth. The rest is off-white—what the hand-out calls "antique white." In his public buildings—the Boston Public Library, New York's University's Library on Washington Square, the New York State Theatre—Philip Johnson's taste often seems to me insecure. (His frankly commercial buildings, in Dallas, in Minneapolis, are more convincing.)

The old lobbies remain, decked now with chocolate paint. There is a bar downstairs, and there are trollies serving drink in plastic glasses on the upper landing, but the usual civilised amenities of a concert hall—a restaurant, a café, a buffet, a bookshop selling the scores of the evening—are missing. Programmes are free, but by comparison with the programmes sold in less affluent countries they are tacky. Nevertheless, the feel of the hall is now conducive to enjoyment. The mere sound of the orchestra tuning up offers assurance of a proper musical experience.

...l House

Pathways of Sun and Stars

by MAX LOPPERT

...ous first impression of ...Finnissy's *Pathways of ...Stars*—given its first per... on Monday by the BBC ...y Orchestra, under ...Boulez—is that the full ...of its 25-or-so minutes ... live up to the great ...of its opening five. The ...inspired by astronomy, ...l, according to the programme note, on "the magic ...f the Sun," is laid out ...e orchestral groups, ... among which are five ...n sections. ...ening, a growling, splintered trombone trio gradually drawing other bass sounds into the fabric, is pregnant with dark, sullen colour, atmospheric suggestion, and (I guess, without having seen a score) harmonic portent. With the first all-percussion confrontation, dynamic but predictable, the *tension aroused by the beginning* is dissipated, not to gather again despite bursts of vivid orchestral activity (Mr. Finnissy's orchestra is of gruff, squealing, interestingly pithy character).

On this evidence, an incomplete success, but of an ambitious and striking kind. It was good to find Boulez, the expert traffic-policeman of contemporary music, before the BBC orchestra again. (He is to conduct the other Round House concert of the series, later this month.) But in the three Varèse pieces that closed the concert, for which an unusually suggestive and helpful programme note by Adrian Jack had especially whetted the appetite, the signals failed at first to obtain the expected crack ensemble.

Hyperprism was splashy; and *Octandre*, which followed, lacked the muscular resilience, the brightness of timbre, that must inform Varèse's wonderfully insistent nuggets of notes. *Intégrales* pulled together, however, obstinate and inspiring in its grandeur. In between, the sisters Katia and Marielle Labèque played the second book of Boulez's two-piano *Structures*, that tapestry of obsessive pattern relationships covering a void. The performance was brilliant; but the sibilant accompaniment to her playing by one sister grew progressively annoying. The concert will be broadcast on November 28, at the rather peculiar hour of 5.50 p.m.

...air

Mr. Laurel ...d Mr. Hardy

by B. A. YOUNG

...edden and Ian Ireland, ... the respective parts of ...d Hardy in this semi...ary, have a difficulty to ...ith: Laurel and Hardy ...t historical characters. ... still, if not on the ...reens at least on the ...tubes. To fill a whole ...ith imitations of them ... the work of an imper... the calibre of Mike ... if he could contrive to ...self in two, which no ... could do with little ... Neither Mr. Shedden ...eland is an impersona...e this level.

...ow, written by Tom ...n a mixture of prose ... is a dual biography. ...tan Laurel from the ... he was Stan Jefferson, ...median, in Glasgow in ...s world fame as half ...tal pair, besides script ...l director; and Oliver ...n his Georgia origins, ... too was a boy comic ...s are fairly well-known ...ace few other charac...Mr. Shedden and Mr. ...n compass them with... assistance than they ... Michael Wild, who plays the piano and handles the props.

The familiar characteristics are faithfully reproduced — Stan Laurel's bewildered grin and hair ruffled with fingertips, Oliver Hardy's tapping fingers and twiddled tie. But I never felt sufficient penetration into the personalities of the originals; what we have is the article that used to be described on the variety stage as "a slight impression," whereas what is required for such a piece is characterisation in depth, even though one or other of the actors has to emerge from it now and then to enact A. E. Pickard or Arthur Stan Jefferson (bet you didn't know about them!), Hal Roach or May Dahlberg.

The two-fold career ended sadly. After 1940, when they had at last freed themselves from their contracts with Hal Roach, they found demand for their product sinking. The last effort was a French film, Atoll K, which they hated making and few people ever saw. Hardy died first, from a heart attack; Laurel outlived him by eight years, still writing scripts for the two of them and playing both voices into a tape-recorder.

Private Eye Sale

...er what might be the ... virtues of *Private* ...*Eye*, nor how righteous ...s indignation, there is ... of the general popu...its cause. The latest manifestation of this support is the sale to be held next Friday night, November 19, at Bonham's Auction Rooms in Knightsbridge, in aid of the much-pressed defence fund. And the occasion has much to interest us, the partisan and the disinterested alike.

The sale is a lucky-dip, a bundle of contemporary British prints, with a drawing or two, all donated by the artists for the good of the *Eye*: Derek Boshier, Boyd and Evans, Robert Buhler, Barry Fantoni, Anthony Donaldson, David Hockney of course, and Howard Hodgkin, Alle Jones, John Piper, Ronald Kitaj, Patrick Procktor *et alios*. A literary section consists of manuscripts, letters and suchlike given by Christopher Logue, Sir John Betjeman, Auberon Waugh, Molly Parkin, Ted Hughes, and so on; and there is a collection of cartoons that includes the work of many favourites, Nicolas Bentley, Sir Osbert Lancaster, William Rushton, Calman, Marc, Larry, Jak and Giles too. Altogether it should make Friday night as profitable as it is sure to be entertaining.

WILLIAM PACKER

Festival Hall

Ashkenazy

by DOMINIC GILL

Of the 20 or so most exciting piano recitals I have ever heard, two at least, of Chopin, Schumann and Mozart, were given by Vladimir Ashkenazy. It is convenient, but never safe, to label any musician with his specialities — to assume that since he plays certain music superbly well, his performances of radically different music must be any the less penetrating. But whether Ashkenazy can be called a "Beethovenian" or no, his all-Beethoven recital on Monday evening was an odd, unsettled affair: brilliant in the fingers, but in the mind and the music inexplicably dull and dilute.

On almost every page there were curious omissions, inaccuracies: strange choice, for example, to treat only the *first* of the two famous opening staccato octaves of op.2 no.2 as staccato—an alteration of the very basic musical gesture of the movement. There was a repeated tendency in all of the slow movements, notably those of op.2 no.2 and op.31 no.2, to hold back a tempo instead of holding it firm only—where Beethoven builds his own broadening into the music, does not any further holding back merely cloy the effect? The heroic aspect too of Chopin and Schumann which Ashkenazy has caught with such memorable fire was lacking in his Beethoven: both op.31 no.2 and op.90 sounded well on the surface, but lacked any kind of largesse, grandeur and breadth. The performances moved fluently and easily, but without passion or concentration: without revelation.

There was excitement of a sort in his account of the Appassionata sonata: fine feats of pianism, splashes of vivid colour. But nothing he proposed asked the listener to look more deeply into the sonata, or consider it anew. The outer movements he took, in popular barnstorming style, very fast indeed—an impressively dexterous whirlwind which had as little to do with Beethoven's vital instruction *non troppo* as it had actually to do with the heart of the music.

Arts news in brief

The Royal Shakespeare Company are to stage a five-week Shakespeare season at the Theatre Royal, Newcastle upon Tyne, during March and April 1977. This is the first time that the Company have presented an extended season in one U.K. centre outside Stratford and London. They will open in the week ending March 7, 1977.

*

A complete recording of Handel's *Messiah* in the John Tobin performing edition is now available. It is a four-disc set totalling three hours of music. With the set is an explanatory booklet. They are available by direct mail only from GFH Records, Ltd., 11b, Westleigh Avenue, Putney Hill, London SW15 6RF, price £12 plus 75p postage.

Among the singers on the recording are Rae Woodland, Norma Procter, Paul Esswood, David Johnston, Stephen Roberts, together with members of the London Choral Society and members of the English Symphony Orchestra. Conductor of the *Messiah* is John Tobin.

*

Glen Tetley's one-act ballet *Voluntaries* will be given its first performance by the Royal Ballet at Covent Garden to-night with Lynn Seymour, David Wall—replacing Anthony Dowell—Vergie Derman, Wayne Eagling and Derek Deane in the leading roles.

Set to Francis Poulenc's Concerto for Organ, Strings and Percussion, *Voluntaries* was first performed by the Stuttgart Ballet in 1973, and has designs by Rouben Ter-Arutunian. The solo organist will be Anthony Twiner, and the conductor Ashley Lawrence.

*

The world premiere of the *John Curry Theatre of Skating* will run for a season at the Cambridge Theatre prior to a world tour. It will open on Boxing Day. This will be John Curry's only appearance in the U.K. during 1976-77.

The Cambridge Theatre will close in three weeks' time to start preparations for this production. The stage will be enlarged and a specially designed ice rink will be laid.

*

The video recording of *Romeo and Juliet* at St. George's Theatre marks the start of an ambitious scheme long cherished by George Murcell, the theatre's director, to tape the entire works of Shakespeare.

The production has been done by Television and Educational Classics.

*

Mrs. Elaine Blond, *widow of* the first chairman of the English Stage Company, Neville Blond, has been appointed chairman of the company in succession to Lord Harewood; and N. F. Simpson, the playwright, takes over as the company's literary manager from Donald Howarth.

*

Singer Salena Jones is appearing at Ronnie Scott's in Frith Street on Sundays November 21 and 28 to present a wide range of songs and to introduce her newly formed band, The London Brass Company.

Television

Laugh? I thought I should die!

by CHRIS DUNKLEY

It's a funny thing, television comedy: there is such a lot of it, all produced with the primary purpose of making you laugh, and *so much of* it managing only to make you want to cry. Not all of it, mind you. There was one sketch in BBC2's *Rutland Weekend Television* on Friday which had me laughing so hard that I was missing half the punch lines.

The scene was heaven during the creation (in Part 3 of "The History Of The Entire World") with the angels working away like a lot of Santa Claus gnomes, making the beasts of the field and the birds of the air, and getting into terrible difficulties. "You finished those wasps yet?" somebody chivvied the Angel Eric. "Nah," said Eric, "can't get these antlers to stay on." Give it up he was told and fit them with wings instead. "Wings!" he exclaimed, "That's an idea—these wheels weren't working at all well."

If my account of the dialogue is inaccurate, script writer Eric Idle has only himself to blame for making me laugh too much, but the basic idea is plain enough. No doubt the idea offended a number of people because it was making fun of The Bible and there still seem to be quite a number of people about who feel that religious belief must preclude humour. I, on the other hand, would think that the best thing happening to the church in Britain to-day is probably Dave Allen.

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However, the point I wish to make is that it was not, anyway, the religious (or irreligious) character of the *Rutland* sketch which made it funny, but rather its unpredictable aspects. Though the underlying concept was itself quite comic, it was not this that produced the laughter but the completely unexpected details tacked on: the wheels on the prototype wasps, and the incredulity of the angel who was making fish, with six legs down each side, on being told that since they had trouble breathing he should try keeping them under water.

There is, of course, nothing new about the business of turning things upside down to show that it is only familiarity which has been preventing us from noticing how peculiar or absurd they really are. (What *do* those who believe in a God-created universe suppose to be the purpose of the house fly?) The surprise is that there are not more attempts to do this, or indeed to use any of the other well-established comedy formulae in ways which are even partly unexpected.

Even *Rutland Weekend Television* was by no means consistent in its quality of unpredictability: one watched in vain during the skit on "A Hard Day's Night" for some point or twist to turn up and save it from being simply a parody that was 10 years out of date. Given that it *was* only a straightforward parody, you or I could have scripted it just as well and possibly better.

There is, as you would expect from one of *Monty Python's* offspring, always at least one burblingly funny scene in every episode of *RWT*, judging by what I saw of the first series and by this first episode in a new series of seven, anyway, and it is to be hoped after *Fawlty Towers* and such one-off efforts as *Tomkinson's Schooldays* and *Out Of The Trees* that the other *Python* alumni are beavering away somewhere preparing more treats for us.

Neil Innes and Gwen Taylor in 'Rutland Weekend Television' (BBC2)

We seem to have lost Peter Cook and Dudley Moore to Broadway and Guinness (more's the pity because a re-reading of their "Dagenham Dialogues" now, 10 years after some of them were written, proves that their style is not the least bit dated) and television really could not afford to lose all the talent that was gathered together in *Python* as well.

Unfortunately there does not seem to be any rule that can be made about the rationing of comedy talent as a guarantee of quality. In the case of Stanley Baxter it certainly seems to work, and the impressiveness of his highly polished shows is greatly enhanced by their sheer scarcity.

On its own, however, scarcity is quite meaningless: the material has got to be there. If it is not, there is no way in which the rarity of the comedian's appearances alone can save the show. *It was not enough* to save Harry Worth in the one-off *Harry* which followed *Rutland Weekend Television* onto the air on Friday.

The funniest moment in that occurred when, summoned to the Inland Revenue because he had never filled in a tax return, Harry found himself explaining patiently to the apoplectic revenue man that the reason even tax officials ended up paying tax was that they would keep on filling in those forms. The rest of the show was dispiritingly predictable: the moment that a chocolate eclair was produced in evidence in a court case, for instance, we knew that trainee-JP Worth was going to eat it. He did.

Even Les Dawson, whose early television appearances as I remember them were characterised by a bizarre style of heroic monologue depending for success upon mixing the mundane with the ludicrously unpredictable, now spends most of his time in Sez Les emulating all the other named-show comedians in a series of little costume sketches, including the mandatory gag in drag.

His monologues seemed to be in very good form on a recent *Parkinson*, and in last week's Sez Les he did include a fairly brief example (" . . . he ordered a pint and looked at me with rheumy, watery, old eyes . . . he said we used to go shark wrestling together off the Great Barrier Reef with a nymphomaniac pearl diver called Gladys . . . ") but most of his show now looks like most of everyone else's.

Having said all that it may seem paradoxical to laud the script-writing and the acting in London Weekend's *Two's Company* since this would seem to be a prime example of a series where the comedy is achieved by the immensely careful long-term cultivation of character; in other words, a style of comedy in which it is, at least partly, the very predictability of action and reaction upon which the humour depends.

Yet there is really no paradox *involved. For a start it would* be absurd to suggest that the unpredictable *is* the *sole* source of comedy: there is a multitude of other sources ranging from cruelty to rôle reversal. But the more important point is that although the greatest strength of *Two's Company* does lie in the beautifully and consistently drawn characters (Elaine Stritch's American authoress, Dorothy, and Donald Sinden's butler, Robert) the situations in which Bill MacIlwraith places them are not predictable.

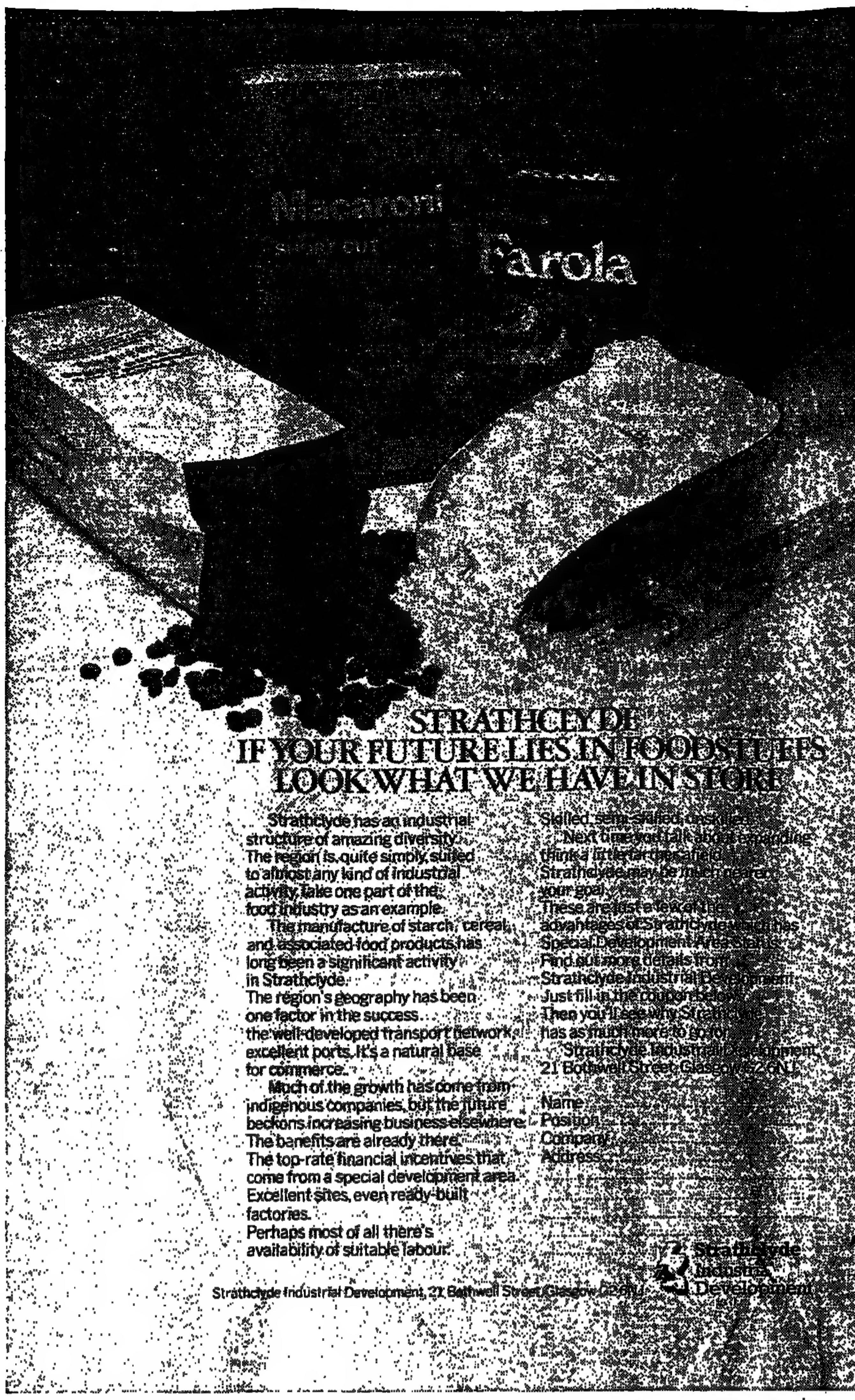
Moreover, it is only after establishing a character really firmly in the minds of the audience that it is possible to benefit from the very special comedy that comes not from writing with the grain of the character, but across it. For instance, one of the most endearing (and comic) of Robert's characteristics is that although he is in so many respects the very paradigm of English stage butlers, he is nevertheless very easily bribed.

Since television's great advantage over other forms of entertainment is its ability to reach a sizeable audience week after week at a regular time in millions of homes it does seem somewhat astonishing that relatively *so few efforts* are made to exploit the potential of character comedy of this sort, in preference to some of the endless, mostly dreary, so-called situation comedy.

John Bird and John Fortune —who with Pete and Dud and the *Python* team must just about complete the mid-sixties varsity comedy survivors—have been trying in *Well Anyway*, but their scripts were just not good enough. Not *funny* enough.

*

Having demanded several times in the last year that a modicum of story-telling be returned to the single play, it gives me great pleasure to record that Granada's *Heydays Hotel* came up with the marvellous idea for a plot of a hotel which provided 1930s' holidays for nostalgia lovers, complete with thirties clothes and cars, thirties radio and conversation, and even thirties prices. It is even more pleasing to be able to point out that it was written by none other than my colleague Philip Purser, television critic of the Sunday Telegraph.



EUROPEAN NEWS

Brezhnev strives hard to allay Yugoslav fears

BELGRADE, Nov. 16.

SOVIET Communist Party chief Leonid Brezhnev to-day forged ahead with a vigorous attempt to persuade Yugoslav leaders they can trust the Kremlin when President Tito leaves the scene.

The two party leaders held their second round of talks to-day with senior ministers and aides to chart the future course of relations between Moscow and Belgrade.

They were officially said to be in agreement that there were wide opportunities for expanding contacts "on known principles." This is a key Yugoslav phrase indicating there will be no compromise on the country's independence for the sake of better relations with the Kremlin.

The official Tanjug news agency described this morning's meeting as an open and detailed exchange of views. The two men had another session this afternoon, followed by an informal dinner.

Observers here were struck by Mr. Brezhnev's all-out attempt in a banquet speech last night to allay Yugoslav misgivings about the Kremlin's real intentions towards their country. The Russian leader jovially denied what he described as Western "fairy tales" about a helpless Yugoslav Red Riding Hood and a bloodthirsty Russian wolf.

Yugoslav officials said diplomatically that the remark, which caused laughter at the table, was aimed more at U.S. President-elect Jimmy Carter than for Yugoslav ears.

But observers here said there was no doubt Mr. Brezhnev was doing his best to reassure President Tito and his likely successors in the Yugoslav leadership that they have nothing to fear from Moscow.

The Soviet statement was expected to be privately welcomed in Belgrade, where the main aim of inviting Mr. Brezhnev has been to obtain a re-endorsement of Soviet non-intervention pledges made over 20 years ago. The so-called Belgrade and Moscow declarations signed in 1955 and 1956 were the outcome of Soviet leader Nikita Krushchev's decision to resume relations with Yugoslavia and apologise for President Tito's expulsion from the Communist family in 1948.

The two documents affirmed for the first time that different "roads to socialism" were possible and have ever since been regarded by the Yugoslavs as their charter of independence from Moscow.

Observers said that after Mr. Brezshnev's "hands off" pledge last night it was likely both documents would be endorsed in a final communique, as they were when the Kremlin leader last visited Yugoslavia in 1971.

Reuter

Poland in harmony with USSR

BY CHRISTOPHER BOBINSKI

WARSAW, Nov. 16.

THE SOVIET Union appears to have extended Poland some help in its present economic difficulties, though statements from Polish leaders suggest pledges of closer ties with Moscow. A statement published here to-day, on relations between the two countries following Polish Party Secretary Mr. Edward Gierek's six-day visit to the Soviet Union, stresses unanimity on all key matters, as well as the need for further economic integration and co-operation.

The statement gives no hint of he concrete economic results of the visit, but Polish Premier, Mr. Piotr Jaroszewicz, said in Moscow last week, "we are deeply grateful for the help we have received in solving the problem of our grain, and the supply of some food articles," indicating that some relief of the present food shortages has been negotiated.

Mutual trade is to rise 1.7 times, special attention is to be paid to mutual economic planning, and further possibilities of integrating the two economies are to be examined. The statement draws attention to the importance to the Polish economy of long-term and stable supplies of fuels and raw materials.

At the political level, the statement says that further dieological co-operation between the two parties is essential, and this should help in educating the working people in the spirit of socialist internationalism. The statement also stresses: "Steadfast defence and consolidation of the achievements of socialism is the socialist countries' internationalist duty." But observers point out that a reference to the socialist family being made up of "equal and sovereign nations" counters to some extent this echo of the Breshnev doctrine.

Also, the Berlin Communist conference agreement is reflected in the statement's commitment to work for unity in the international Communist moveme notu the basis of proletarian internationalism, with the proviso: "With full respect for the equal rights and independence of each fraternal party, its sovereign right to decide its revolutionary path."

It is these provisos which support Mr. Gierek's comment in Moscow last week that the Polish Party will be governed by the general laws of socialist development, as represented by the experience of the USSR and the other socialist countries, but also by the "needs of the concrete situation in our country and our nation's characteristics."

But this is all that is left of the independence tone of the Polish leader's speeches soon after last June's food riots when the emphasis was on relying on one's own strength, with hardly a mention of the Soviet Union. The contrast shows thta the Polish leadership seems to have decided that it will be only able to solve its problems in co-operation with the Soviet leadership. The stress in the statement on deepening idological co-operation, together with the provision that local conditions have to be taken into account, reflects the problems of putting this conclusion across to the people, though these problems will diminish if more food becomes available.

Battle over constitution opens in the Cortes

BY ROGER MATTHEWS

MADRID, Nov. 16.

THE BATTLE within the Spanish regime over the reform of the constitution moved into a decisive phase to-night when the debate opened in the Cortes on the Government's disputed proposals.

Right-wing opponents of the Government are pressing for a series of amendments which would increase what they consider to be their strong chance of dominating the proposed two-chamber parliament. Essentially, they want both houses to be elected by the simple majority system, thereby limiting opportunities for the Left. The Government has suggested a system of proportional representation for the lower house. A two-thirds majority is needed in the Cortes, which was largely appointed during the rule of General Franco, for the draft law to be passed, and it then has to be submitted to a national referendum.

At the same time, the extreme Right is building up for a mass demonstration on Saturday to mark the first anniversary of Franco's death.

The Cortes debate began with a general defence of the Government's plan, and was followed by strong attacks by two ultra-Right deputies who wanted the entire project returned to the Cabinet for further study. Sr. Blas Pinar, who heads the extremist group New Force, argued that he was not against reform but was totally opposed to the wholesale dismantling of the Franco regime, which was basically what the Government was proposing.

Many newspapers and magazines have received threats from extremist groups in the past few days, warning them not to attend Saturday's rally in front of the Royal Palace. The Government has set a time limit of 20 minutes for the rally, but it privately doubtful about the willingness of police to insist that the demonstrators then disperse.

King Juan Carlos and the Government will be holding a separate memorial service at the Valley of the Fallen, the Civil War monument, where Franco is buried. They are anxious that the Cortes should vote on the constitutional proposals before Saturday's memorial services.

The Government has meanwhile revised its figures for last Friday's industrial stoppages, now admitting to nearly 600,000 strikers and 520 arrests. Heavy fines, ranging up to £4,500, are being imposed without trial on some of those arrested, as promised earlier by an official spokesman. Labour sources say that at least two dozen alleged leaders of Friday's strikes have been sacked by their employers, and others are expected to follow.

Mr. Jack Jones, General Secretary of the British TGWU, said at a Press conference in Bilbao to-day that the official state-run unions were a "fascist concept," and he was in Spain to give support to the independent trade union movement.

Dassault 'tax evasion'

BY OUR OWN CORRESPONDENT

PARIS, Nov. 16.

IN THE PAST 12 years the Dassault group has been guilty of fiscal irregularities which have led to the imposition of more than Frs.500m. in back-tax payments, according to the French newspaper *Le Monde*.

This information, based on an unnamed but "authorised source" will, if it is substantiated, authenticate the long-standing claim made by the former Dassault chief accountant, M. Hervé de Vathaire, who has charged the 84-year-old M. Marcel Dassault with systematic tax evasion.

At the same time, the Communist-led CGT union has claimed that unquoted property companies in the group, controlled by M. Dassault, have been asset-stripping the aircraft manufacturing parts of the group to the point where they were largely the owners of the land, buildings, and licences used by the aerospace company. Rentals alone demanded by these unquoted companies totalled Frs.66m. in 1975, representing some 8 per cent. of the balance-sheet value of fixed assets, the CGT claims.

The union says that its information has come from M. Jacques Estebe, assistant director general of the aerospace group, speaking to a meeting of the central works council. There has been no comment from Dassault on the new allegations.

The National Assembly has already decided to investigate the entire French aerospace sector rather than accede to Socialist and Communist demands for an enquiry specifically into Dassault which is a vital defence contractor and builder of the Mirage fighter.

Substantiation of the claims of M. de Vathaire—awaiting trial charged with stealing Fr.8m. from M. Dassault—now depends on the materialisation of M. Jean Kay, a one-time mercenary, to whom M. de Vathaire gave a secret dossier on Dassault misconduct.

He apparently took the Fr.8m. to buy back the file but M. Kay has disappeared. Some French Press reports have suggested that he is hiding in Belgium; others that he is dead.

The tax authorities have been reticent about the allegations although they have confirmed that some adjustments were demanded in previous audits of the Dassault books and that an intensive audit is now in progress.

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"German darkness descends on my soul; my country grows ever darker, all because I see my Germany so deeply torn. I am in the better of the halves, but I must endure double the pain."—

Wolf Biermann.

E. German poet may not go home

By Leslie Colitt

BERLIN, Nov. 16.

EAST GERMANY'S most prominent dissident, the poet and singer of political ballads, Wolf Biermann, has been deprived of his East German citizenship. He is currently touring West Germany—the first time he has been allowed to go the West since 1965—and the East German authorities say they are denying him re-entry.

The sudden move against Biermann, whose works have been banned in East Germany for 11 years, follows the recent expulsion of one of the country's leading authors, Reiner Kunze, from the East German Writers' Union. East European Communists here say it is no coincidence that the crack-down on cultural figures it taking place at a time when frustrations in East Germany are mounting over the continued refusal by the authorities to allow East Germans to travel to the West. More han 100,000 East Germans have now applied to re-settle in West Germany, many of them young people.

Biermann, 40 yesterday, has a wife and children in East Germany. The terse official announcement says he is losing his citizenship because of his "hostility towards the German Democratic Republic." It notes that his personal property will be forwarded to him.

For every criticism he made of East Germany, he had at least one for West Germany. Only a few weeks ago, he appeared in an East Berlin church, packed with young admirers, where he sang for the first time since 1965 before an East German audience.

After writing a satirical play about the Berlin Wall, Biermann was expelled from the Communist Party and reviled in the East German Press for his poems and records which were released in the West. In late 1965, Herr Erich Honecker, now East German Party leader and Head of State, told the Central Committee, "Biermann's so-called poetry reveals his petty bourgeois, anarchistic behaviour, his arrogance, scepticism and cynicism." Tape recordings and hand-written copies of his latest songs and sardonic verse continue to circulate in East Germany. Biermann, together with Robert Havemann, the other leading East German dissident, bitterly attacked the Soviet-led invasion of Czechoslovakia in 1968. Two years ago, he says he was "made an offer" by the East German authorities to leave the country but he refused.

Jnemployment in France ops one million mark

DAVID CURRY PARIS, Nov. 16.

SERIOUSNESS of the ration in the French ıy, which prompted the Government headed by rmond Barre to work out nergency austerity pro- e, has been underlined by es of gloomy statistics g unemployment, wage nd the prices of imported aterials.

e same time, it is reported ıe crisis-ridden Lorraine industry in north-west is planning to cut up to jobs of the 150,000 the employs in France.

he unemployment front, ıres show that crude un- ment at the end of was back over the 1m. topping the previous ber 1975 peak of 1.020m. ılly adjusted the figures re optimistic, falling from to 935,400.

numbers of vacancies l by 31,600 to 83,400. half the jobless are than 25 years, while he same proportion have ıt of work for more than ıonths.

while, preliminary figures ıat hourly wage costs in vate sector in the July- ber quarter were up by 4 per cent., pointing to re's thesis that wage t must play a funda- part in his austerity ıme.

a first quarter rise of cent. and a second 4.3 per cent. increase, a whole looks set to show r cent. overall increase which would be slightly above the 14.8 per cent. 1975 increase. The July to July rise has already touched the 15 per cent. mark, and a 15 per cent. overall 1976 increase would compare with an anticipated rise in retail prices

M. Raymond Barre

for the same period of around 9½ per cent.

To complete the gloomy trilogy of statistics, the index of imported raw materials costs shows a 56.5 per cent. gain in the year to the end of October.

M. Christian Beullac, the Minister of Labour, admitted in the National Assembly yesterday that he was "preoccupied" by the unemployment situation. He has promised measures to reform the system of payment of benefits to the unemployed and to try to match vacancies more accurately with job seekers.

M. Beullac also faces the serious crisis in the French steel industry. Ten days ago, in Metz, the capital of the Lorraine industrial region, he warned that productivity in the steel sector was insufficient and that the Government would be prepared to aid financially a new effort to improve efficiency.

Since then reports from Lorraine have suggested that the steel companies are drawing up plans to cut between 14,000 and 20,000 jobs in a region which employs well over 80,000 steel workers.

The region's steel industry has already announced heavy lay-offs between now and Christmas. Sacilor, one of the two big Lorraine companies, will introduce lay-offs affecting 28,000 workers, while the other, Usinor, is operating its plant on a 32-hour week.

It is calculated that the French steel industry will have a turnover of around Fr.34bn. this year —and carry debts of some Fr.33bn. Prices are at July 1974 levels, while wage and raw material costs have risen by 30 per cent.

The industry will clearly be stretched to achieve planned investment next year—in the order of Fr.2bn. to Fr.2½bn., a level which will mark a further decline in investment, which had dropped from Fr.5.4bn. in 1973 progressively in the following years to Fr.4.1bn.; Fr.3.1bn. and Fr.2.8bn.

rench nuclear sales to Iraq

OBERT MAUTHNER PARIS, Nov. 16.

ENCH consortium is to be on the point of a contract for the sale lear reactor and fuel to ı spite of the recent by the French Govern- apply stricter controls orts which could be l for the manufacture of weapons.

eactor itself—a small, siris type—hardly falls category of "sensitive" products which could the proliferation of weapons. But the fuel he consortium—led by ıtome, a subsidiary of ıch Atomic Energy Com- —is planning to sell with or could be used to make a small atomic bomb, according to informed sources here. It only requires seven kilos of 97 per cent. enriched uranium to be added to the 12 kilos of 93 per cent. enriched uranium to be supplied by the French, for the fuel to be adapted for military purposes.

The French official position is that the Iraqis, whose nuclear know-how is still in its early stages, intend to use the reactor only for experimental purposes and to train their own technicians. It is also emphasised here that, as is the case for all French nuclear exports, the reactor will be installed and will operate under the control of the International Atomic Energy Agency.

Nevertheless, given Iraq's geographical position and the policies of its Government, serious doubts are being expressed in some French official quarters about the desirability of the sale. According to Israeli sources, who have been instrumental in publicising the contract, the Osiris could be used as an atomic weapons training centre for terrorists operating in the Middle East and elsewhere.

It is still not certain that the French Government, already embarrassed by the uproar caused by its sale of a nuclear reprocessing plant to Pakistan, will give the green light to the deal, following the modification of its nuclear exports policy. But it is in a difficult position. France will certainly be careful to avoid upsetting Iraq, which is its third largest supplier of oil.

EEC snubs Comecon initiative

By Guy de Jonquieres

EEC FOREIGN Ministers have agreed on a grudging response to a Soviet-sponsored initiative seeking enlarged economic and trade relations between Comecon and the European Community. The EEC reply, decided after months of hesitation, falls far short of meeting Comecon's original demands for major economic concessions to boost its trade with the Nine, including the extension of most favoured nation status to Soviet and eastern European exports.

Instead, the Community has made it plain that it is prepared to consider only a low-level co-operation agreement, probably limited to such areas as transportation policy, environmental pollution and the exchange of statistical and technical information.

While giving Comecon a polite brush-off, the Foreign Ministers have also discussed ways in which the Community could strengthen its relations with Yugoslavia, so as to bolster its independence and integrity after President Tito leaves power.

Money supply rise

THE WEST GERMAN central bank money stock, the aggregate used by the Bundesbank to monitor the rate of growth of the money supply, increased by 10.4 per cent. during the past six months, compared to the target of 8 per cent. set at the beginning of this year, the Bundesbank states in its latest monthly report.

During October, the Bundesbank figures show, the central bank money stock rose by DM1bn., or a little more slowly than in September, when it increased by DM1.2bn. In both months, the main growth came from an increase in the velocity of cash in circulation, while the other component of the central bank money stock, domestic minimum bank reserves, showed a more gradual rate of growth.

W. Germany textiles

CAUTIOUS optimism is returning to the West German textile industry after a recession which has lasted for most of this decade. Order figures have recently been improving steadily while production has also increased.

Bookings for September, according to figures released to-day by Gesamttextil, the Federal Republic's textile industry association, were 16 per cent. higher than last year, and production was up by 7 per cent. The depressed domestic market yielded a 12 per cent. rise in orders, but the export sector showed a much faster growth rate, with a 38 per cent. increase.

CAR PRODUCTION IN THE SOVIET UNION

Changing into lower gear

BY DAVID LASCELLES, RECENTLY IN TOGLIATTI

"IT'S A BIG place" said chief engineer Gennady Matveev, "so if you don't mind, we'll tour it by car." Our Soviet-made Zhiguli plunged through the open doors and into the giant factory from which it had emerged only a few months early, fresh off the assembly line.

Our tour of the Togliatti car works took all morning, much of it spent racing round the factory's internal road network, tracing the production process from lumps of raw steel through to the finished product. Only six years old, the plant is already a legend in East-West trade, and rightly a Soviet showpiece. Built from scratch on the open steppe beside the Volga in co-operation with Fiat, it is crammed with expensive machinery, three-quarters of it imported; it makes almost all its components on site; and the 1½-miles-long main assembly line buzzes with activity seldom seen in Soviet factories.

In its brief life it has already enabled the Soviet output of private cars to be doubled. This year it will produce 680,000 cars of three types: the standard 62 hp Zhiguli 2101 which resembles the Fiat 124 but has higher road clearance and a greatly modified engine, the 2101 station wagon, and the de luxe 2103 with 75 hp.

The decision to build Togliatti, made shortly after the demise of Nikita Khrushchev, heralded the advent of the automobile era for the Soviet Union. Car ownership has doubled since 1970, and it will probably double again by 1980, contributing more to the changing outward appearance of Soviet life in that time than any other single development. Traffic jams have become commonplace in most Soviet cities, and Moscow's rush hour produces mile-long queues of cars just like any western capital.

Car production has also outstripped the country's ability to serve the automobile age. Because of pressing demands from other sectors, the road programme has received a gradually shrinking share of state investment. Only one fifth of the national road network is paved. The road construction programme fell behind in the early 1970s and seems unlikely to catch up, judging by the lower road-building target set by the new Five Year Plan.

Servicing facilities are also in critically short supply, spawning an army of private car mechanics who charge exorbitant prices and often use stolen parts. Filling stations are also scarce; there are fewer than 20 in Moscow. These failings are frequently commented on in the Soviet press.

SOVIET CAR INDUSTRY

	1970	1975	1980 (planned)
Car production ('000)	344.2	1,201	1,275-1,400
Sales to public ('000)	123	924	1,200 (1)
Exports ('000) (2)	85	297	—
Cars per 1,000 people	8	16	30

Notes:

(1) This figure was given by Premier Kosygin, though it will leave a tiny margin for exports.

(2) The fact that sales to the public plus exports do not add up to total production is a discrepancy in Soviet statistics that is not explained.

But car ownership in the Soviet Union is still at pre-war levels, judged by Western standards. Every Russian can now look forward to getting a car some day, but he will have to wait several years and save the equivalent of over three years' pay—which not everyone will be prepared to attempt. There is no consumer credit in the Soviet Union, and car industry officials say it is unlikely that prices will be brought down significantly in the foreseeable future.

It is not surprising, therefore, that once a Russian gets his car, he treats it with care bordering on reverence. Figures show that he will probably drive less than 10,000 km a year, and then only on pleasure outings. He will also mothball it in winter. His biggest consolation is that petrol is only 25p a gallon.

The Russians appear to have shelved any plans for further major expansion of car-building capacity. According to the Five Year Plan, car production in 1980 will only be 10-15 per cent. higher than in 1975, compared with an increase of 250 per cent. between 1970-75.

Current car production is in fact already more than the country can cope with. Changing economic conditions have forced planners to remove consumer goods from the priority position they occupied at the beginning of the decade, and there is a growing interest in energy conservation.

Soviet officials add that transport policy aims to maintain a balance between private and public transport, especially in towns, and that car ownership on western levels is not being sought. Another Togliatti, they say, is therefore unlikely, though the Automobile Ministry is always prepared to consider proposals from Western companies.

The planned increase of output will be achieved through fuller use of existing capacity. But the type and range of cars will be updated, again with the help of Fiat who recently renewed their co-operation agreement.

The Togliatti plant aims to change its basic model every five years, introducing several modifications in the intervening period. Its biggest new venture between now and 1980 is the development of a robust saloon car for country workers. To be called the Niva (Russian for cornfield) it will have four-wheel drive and the hatchback now favoured in the West. Unlike the Zhiguli, the Niva is claimed to be 100 per cent. Soviet-designed, and will be produced at the rate of 50,000 a year.

Work on the Zhiguli itself will concentrate on improving engine performance, reducing harmful emissions, and extending the use of plastics in construction. The wider use of diesel engines in light vehicles is also being examined.

Longtr term plans include the production of a mini saloon, probably along the lines of the Fiat 126 now being produced under licence in Poland. Output of large cars is unlikely to be greatly increased.

Hand in hand with the rapid rise of car production, there has been an increase of car exports. A large part of these sales are to Comecon countries who supply components for Togliatti and other car plants. But there has also been a major sales drive in the West. Originally it was spearheaded by the Soviet-designed Moskvich manufactured at a brand new plant outside Moscow designed with the help of Renault. More recently, exports have consisted of the Zhiguli, marketed abroad as the Lada. Last year, 64,000 cars representing one fifth of exports went to Western markets, mainly to Finland (12,600), West Germany (8,900), Belgium (9,400), Britain (6,300), Holland (6,300).

Future sales to the West will obviously depend on the state of the market. But plans are already being made to expand handling and servicing facilities. Satra Motors, the British agent, says it hopes to sell 12,000 cars in the U.K. next year through its network of 169 Lada dealers. An assault is also to be made on the U.S. market, again through Satra. A $2.1m. pre-delivery centre and spare parts depot will be built at Savannah, Georgia, capable of handling 10,000 imports a year, starting at the end of 1977. Plans for earlier sales to the U.S. were held up while the Lada was modified to meet U.S. emission standards.

It is acknowledged, though, that there could be difficulties. Russian industrial goods have yet to build up a reputation in the West (Satra's recent U.K. publicity campaign for the Lada avoided mentioning that the car was Russian), and low price rather than quality has been the best selling point so far.

But the Soviet car export drive is part of Moscow's new policy to increase the share of manufactured goods in its exports, particularly to the hard currency area. At present, cars represent only 2 per cent. of the value of Soviet exports. The aim appears to be to bring this up to 5 per cent. by 1980.

Report forecasts below average Nordic growth

BY JOHN WALKER STOCKHOLM, Nov. 16.

THE 1977 GDP growth rate of the Nordic countries is expected to be below the international average, according to "Nordic economic outlook," a joint forecasting project made by the four Nordic industrial federations—Denmark, Finland, Norway and Sweden.

The report suggests that the counter cyclical behaviour reflects the typical lag structure of most of the Nordic countries.

Much of the recessionary impact from the downturn in world trade was bridged in the Nordic area by heavy expansion in domestic demand.

During the forthcoming period of international recovery priority will be given to a restoration of external balances, even if this results in a continuation of under capacity working in all four countries well into 1977, and increasing or unchanged employment levels.

AMERICAN NEWS

Dell warns on import restraints

By Stewart Fleming

A SHARP criticism of U.S. international trade policies and a warning that some of these policies are making it difficult for countries such as Britain to resist domestic pressure to control imports has been made in New York by Mr. Edmund Dell, the Secretary of State for Trade.

Urging economically strong countries such as the U.S. to continue with economic expansion, Mr. Dell said that he hoped it would be possible for the new administration of President-elect Jimmy Carter to "hold the line against further protectionist pressures in the U.S."

"It is difficult to foresee the GATT multilateral trade negotiations making much headway against a background of import restriction by a country whose economic position is so much stronger than most of the participants," Mr. Dell remarked in a reference to recent trade decisions by the U.S.

Inflation forecast

A FORECAST that Britain will suffer inflation of over 14 per cent. in the next five years and a "steady depreciation" of the pound over the next decade was issued to-day by Chase Econometric Associates, an economic consultancy subsidiary of the giant Chase Manhattan Bank.

Amnesty report

FATHER ROBERT DRINAN, one of the three Amnesty International investigators who has just left here said before leaving that Amnesty's report on the human rights situation in Argentina "has to be pretty devastating for this Government."

He said that he will campaign in the U.S. Congress for the strict application in the case of Argentina of Section 502B of the Foreign Assistance Act, which stipulates that there shall be no security assistance to any government which engages "in a consistent pattern of gross violations of internationally recognised human rights."

Concern over new fall in U.S. industrial production

BY DAVID BELL WASHINGTON, Nov. 16.

THE FALL in U.S. industrial production which was announced last night has further increased concern among many economists about the slowdown in the U.S. economic recovery and is sure to be used as another piece of evidence in the case now being constructed for new stimulus soon after Mr. Jimmy Carter takes office.

The Federal Reserve Board said yesterday that industrial production in October fell 0.5 per cent. and it revised downward the fall in September, estimating that in that month the index fell about 0.2 per cent. The index began a sustained rise in the spring of 1975 which continued until August this year and very few economists had expected it to turn downwards as it has in the past two months.

Although part of last month's fall was explained by the strike at Ford Motor, the Fed noted that declines in production were widespread last month in such basic materials as steel, chemicals, paper, textiles and in such finished goods as clothing, household goods and business equipment. The only industry to show expanded outputs was housing, which in any case has taken much longer than other sectors of the economy to recover from the earlier recession.

Meanwhile, the Commerce Department also reported yesterday that inventories increased by some \$2.6bn. in September largely because of a decline in sales. Commerce Department economists said that buyers were now extremely reluctant to increase inventories until sales picked up and, one said, "sales just have not done anything."

As his news conference in Plains showed yesterday, Mr. Carter is proceeding very cautiously on the economic front and his aides have not yet finally decided by how much the economy may need to be stimulated early next year. However, they increasingly share the concern that without extra stimulus the current recovery may be difficult to sustain and are waiting only to see if the next batch of statistics is as indifferent as the last before deciding what to do.

The most likely action the new administration will take still seems to be a tax cut soon after it comes into office, and transition aides are already at work trying to define which areas of the economy need the most urgent stimulation. For instance some aides argue that the tax cut should be aimed exclusively at lower income Americans while others argued that it should be across the board. In Plains yesterday, Mr. Carter would say only that "exactly which taxpayers should be benefited and whether it should be a one shot tax rebate or a continued process—that would also be decided in the future. I can't give that answer yet."

Car sales keep falling

BY STEWART FLEMING NEW YORK, Nov. 16.

THE DECLINE in the rate of growth of new car sales in the U.S. continued in the first two weeks of November.

The industry is becoming clearly more cautious in its estimates of fourth quarter sales in the light of the evidence that the consumers' rush to buy new cars is waning.

In the first days of November new car sales on a daily sales rate basis are down by 1.5 per cent. for U.S. manufacturers. The decline mirrors the 2 per cent. reduction in sales during October, and car industry analysts maintain that it confirms the trend in car sales since mid-year.

The difficulties facing the car industry after the sales boom early in the year were underlined last week when General Motors announced that it was going to pay customers a \$200 rebate on purchases of its smaller cars.

This is the first time since the depths of the last recession in the industry that the motor industry has paid customers rebates. The announcement had an immediate depressive impact on investors, some of whom are anxious about the impact of a slow down in car sales for the economy. The motor industry has been the principal sector of the economy that has dragged it out of recession.

The sales figures for early November suggest that part of the setback in the industry is, however, a hangover of the Ford strike.

Carter warns on jobless

BY OUR OWN CORRESPONDENT WASHINGTON, Nov. 16.

AT HIS SECOND Press conference yesterday Mr. Jimmy Carter, the President-elect, warned that it would be some time before the unemployment rate began to fall, and said that he would be able to work harmoniously with the chairman of the Federal Reserve and added that inflation remained a very serious problem in the years ahead.

Mr. Carter said that he still intended to get unemployment down to 4.5 per cent. within the next four years but that he would proceed with care in order to avoid overheating the economy and rekindling inflationary pressures which were still very much present in the economy. The President-elect said that it was inevitable that for the next two years unemployment would probably be around the 5-to-7 per cent. mark, but that it would come down slowly.

NY Stock Exchange makes 8% staff cut

By Jay Palmer

THE NEW YORK Stock Exchange, in a major reorganisation of existing departments orchestrated by a team of outside consultants, has sacked 60 employees, including more than 30 middle management and senior executives. The NYSE plans to lose a further 60 jobs through normal wastage.

Mr. William Batten, the NYSE's chairman, said that the changes will give the "big Board a better integrated and more streamlined structure." The layoffs, which add up to a total 8 per cent. cut in the 1,500 staff, will also result in an annual saving of about \$4m., \$1m. in the form of eliminated work projects and \$3m. through reduced labour costs.

Under the reorganisation the Exchange's market operations and member services departments will be closed and their key responsibilities reassigned. At the same time the stock list department will be greatly expanded to form the basis of an entirely new marketing division designed to sell the NYSE's move into such new products as options trading.

Although plans for this major reshuffle first started under the NYSE's previous chairman, Mr. James Needham, last February, Mr. Batten greatly expanded the scope of the study after heading the exchange in May. Although some of the key senior dismissals will be succeeded ultimately by fresh outside appointments, NYSE officials this morning denied that the reorganisation was in any way a Batten purge.

While the main effect of these changes is clearly to give the market a new emphasis on marketing, an area in which Mr. Batten specialised before becoming chairman, they have also resurrected speculation about the possibility of a coming merger between the NYSE and the American Stock Exchange.

Suspected air sabotage has pointed up a variety of political tension in the Caribbean. Tony Cozier, Barbados correspondent, describes . . .

Clouds over Caricon

THERE IS in the phrase of Guyana's Minister of Economic Development, Mr. Desmond Hoyte, a new "pall of gloom" hanging over the Caribbean Community.

It is not the first time that the economic grouping of the Commonwealth countries in the area, stretching from Belize on the central American mainland to Guyana on the South American mainland, has found itself under pressure. The smaller islands of the Windwards and Leewards have always contended that the arrangement has been of little benefit to them and it has been a major problem scotching the understandable feeling that Caricom has served merely to make the larger territories such as Barbados, Guyana, Jamaica and Trinidad and Tobago better off.

Generally speaking, however, the sheer necessity for Caricom has outweighed its deficiencies, real or imagined. Even Mr. Hoyte, for all his despondent talk, in a speech to a regional seminar in Georgetown, was confident that it would overcome its present problems and survive as a strong and viable entity.

The main cause of the present fragmentation has been purely political in nature and has involved two of the largest of the Caricom partners, Barbados and Guyana — ironically, founder members of the Caribbean Free Trade Area (Carifta), the forerunner to the present arrangement. If nothing else, it has highlighted the dilemma of forging even closer ties between independent governments which are following increasingly divergent ideological paths.

While Guyana has moved increasingly to the Left in its politics, particularly in regards to foreign affairs and state control of the economy, and Jamaica has been seen to follow suit, recent election results in Barbados and Trinidad and Tobago have entrenched long-established social democratic traditions, regarded as conservative by most observers.

The incident which has served to spark a new war of words was the crash of a Cuban passenger jet into the sea off Barbados on October 6. The flight was on a scheduled service connecting Havana with the four principal Caricom states, Guyana, Trinidad and Tobago, Barbados and Jamaica. It had originated at Guyana's Timerhi Airport and 11 Guyanese were among the 73 people aboard, all of whom perished. The others were 57 Cubans and five North Koreans on their way to Kingston from Georgetown.

The rapid realisation that the crash had been caused by an explosion, and the claim by a Miami-based group of Cuban exiles that its agents were responsible caused a surge of concern throughout the area.

The fervent anti-Castro refugees who had fled the island in their thousands in the 1960s had apparently decided to intensify their campaign of harrassment and, suddenly, the Caribbean found that political terrorism was on its doorstep. The warning signals had been there in the preceding months—an unsuccessful attempt to sabotage a Cuban jet out of Kingston and the bombing of the offices of Cubana Airlines' handling agents in Bridgetown and the Guyanese Consulate in Port-of-Spain.

When two men, both Venezuelan residents who had been on the flight earlier between

The incident which has served to spark a new war of words in the Caribbean Community was the crash of a Cuban passenger aircraft into the sea off Barbados on October 6.

Port-of-Spain and Bridgetown, were held the day after the disaster by Trinidad and Tobago police, a decisive breakthrough in the case appeared to have been made. What developed instead, however, was an embarrassing legal wrangle over where the men should be tried—or, more precisely, where they should not be tried.

The new Barbados Government, in office less than two months as a result of elections in early September, found itself under considerable pressure to seek the extradition of the men and to try them for murder. But the the Prime Minister, Mr. Tom Adams, and his deputy, Mr. Bernard St. John, argued they were not convinced they had enough evidence to bring the men to Bridgetown and gain a conviction.

The altercation then developed. Guyana's Prime Minister, Mr. Forbes Burnham, at a large public rally honouring the Guyanese who died, said Barbados had a "moral duty" to try the men. He, like Mr. Adams and Mr. St. John, is a qualified lawyer, but he rejected Barbados' legal reservations.

One major consideration in the case was whether the crash occurred inside or outside Barbodas' territorial limit of three miles. Mr. Adams said it was between four and five miles; Mr. Burnham countered with a figure of a mile and a-half. Eventually, a British frigate using sonar equipment was brought in and located the wreck 4.8 miles off shore. By then, however, such argum appeared to be irrelevant.

Strong words were excha at a special conference in of-Spain involving the five cerned Governments—Barb Cuba, Guyana, Trinidad Tobago and Venezuela which it was hoped to d where the suspects should trial, but at which nothing clusive was achieved. Ir interim, both Mr. Burnhan the Cuban leader, General Castro, publicly accused the of complicity and General (abrogated a three-year-old hijacking treaty as consequence.

Passions against Barbadc high in Guyana and vice- When the Barbados Goverr established a commission vestigate the crash, G declined an invitation to representatives as a p against the refusal to try tl pects in Bridgetown. Tr and Tobago, which kept th for 19 days before dep them to Venezuela, simpl not answer Barbados' invi to the commission.

The feeling in Guyan elsewhere in the Caribbea that Barbados' reluctance such a politically explosiv in the island was based fear of damaging the vital industry on the eve of the winter season. Whether th a fair assessment or not, could be no doubt that Ba would have been faced wi blems of security for such which would have stretc human and financial resou

Guyana's Foreign Minist Fred Wills, has said th Government is willing to its antagonism towards Ba on the plane crash issu the interest of Caricom and indeed the incident is to eventually blow itself o

But, even when it Caricom will still be face the unreality of certain aims, namely a common policy and a common po foreign investment.

Trinidad and Tobago's Minister, Dr. Eric W made no attempt to hide h sion to political developm Guyana and Jamaica dur election campaign anc recently repudiated thos want the country's larg buoyant oil industry natio Mr. Adams succeeded Government which has ha tions with Israel and Taiv many years and his pa said, specifically, that it strengthen ties with the

Guyana, on the other ha established strong dip links with the Soviet b Third World countries Burnham has emerged as ful Third World leader.

Chile to free political prisoners

THE CHILEAN military Government announced yesterday that all political prisoners being held under State of Siege laws would be freed immediately except for 18 persons, UPI reports from Santiago.

Army General Hernan Bejares, Government Secretary General, said that the remaining 18 persons, including Chilean Communist Party leader Luis Corvalan, would be freed also if other nations accepted them as exiles.

General Bejares did not say how many persons would be freed unconditionally.

Videla ends Santiago visit

Argentine President Jorge Videla has returned from a four-day state visit to Chile, Robert Lindley reports from Buenos Aires. In Santiago, General Videla and the Chilean President, General Augusto Pinochet, signed 17 agreements, most of them calculated to increase economic cooperation between the two countries.

Meanwhile, an estimated 40 Left-wing guerillas attacked a police station near La Plata yesterday, but were driven off by police and military reinforcements who killed nine guerillas. Four policemen were reported wounded.

Suicide bid in Utah death cell

CONDEMNED KILLER Gary Gilmore attempted to commit suicide in his cell yesterday and, in an apparent death pact, his 20-year-old girl friend Nicola Barrett was found unconscious on the floor of her apartment, policy said in SaltLake City, Utah, Reuter reports. Mr. Gilmore, who has been fighting for the right to die before a firing squad, was taken to hospital suffering from a drug overdose. "We are not sure where he could have obtained the drug," said Samuel Smith, Governor of Utah State Prison. Mr. Gilmore's execution has been delayed by Utah Governor Calvin Rampton pendin ga hearing of the case before the State's Pardons Board.

Uruguay oil plan

The Uruguayan Economy Ministry is preparing a series of measures to be applied if the oil producing countries increase the price of petroleum by 15 per cent, our Buenos Aires Correspondent writes. If the increase is made, Uruguay which imports all the petroleum products it uses, would have to spend nearly \$200m. next year on oil, instead of the \$170m. it is spending this year.

FDA moves to improv drug testing practices

BY STEWART FLEMING NEW YORK, No

THE U.S. Government's Food and Drug Administration (FDA) is proposing to issue new rules to assure the accuracy of test data submitted to it by drug manufacturers.

The announcement follows a report from the FDA that a far-reaching investigation of faults in testing new drugs on animals may result in criminal charges against some research laboratories.

The new rules which the FDA is proposing would affect several hundred animal test laboratories and would be aimed at enforcing "good laboratory practices."

They would include standards for the training and qualifications of laboratory personnel and rules for the treatment of animals.

The agency has increasingly concerned al accurate and incomplete test results of food additi drugs which fail to r significant safety problen

Animal testing of dru crucial element in the by which new drugs are a for human use. Alrea FDA has reached the s its investigations of req the U.S. Justice Departn set up a grand jury it investigations which cou to charges against some tories.

The new rules, which be introduced until after hearings early next year have a significant imp drug testing procedures the world.

Guyana awaits budget

BY OUR OWN CORRESPONDENT GEORGETOWN, Nov

THE GUYANA economy has run into difficulties this year and the 1977 budget, to be presented shortly, is certain to reflect efforts to preserve foreign exchange.

Government spokesmen recently have been hinting that unseasonally heavy and prolonged rainfall for most of the year up to August severely restricted mining operations in the bauxite industry and wiped out nearly half the rice crop. Some spokesmen estimate that bauxite production could be as much as 50 per cent. down, while the shortfall in rice output has been officially put at 40 per cent.

Official spokesmen have indicated that these shortfalls have not seriously affected the country's ability to meet external market commitments.

Sugar, an important foreign exchange earner, is still about 20 per cent. below the 1976 target. The industry was affected by two major strikes this year. Government has also that "destabilisation" forced an increase in spending, including the lishment of a Guyana Militia.

The political oppositic however, blamed the ec situation on faulty planni decline in real wages and standards. The op People's Progressive Par warned that it will not cuts in subsidies and redu wages and salaries and called for urgent "m which are objectively r for national anti-imp unity, a sound econom national defence.

Such measures should negotiation for debt-res ing and reallocation of being spent on the army and national service in of "a countrywide people's militia."

[I]ndonesia will test [c]redit rating with [n]ew loan bid

BY DAVID HOUSEGO IN JAKARTA

[TH]E belief that its inter[nation]al credit rating is [streng]thening, the Indonesian [Govern]ment is planning to raise [a majo]r international loan.

[The] governor of the Bank of [Indone]sia, Mr. Rahmat Saleh, [said n]o figure had yet been [fixed] but he had in mind less [than $]500m.

[Repr]esentatives from Kuhn [Loeb,] Warburg and Lazards, [advise]rs to the central bank, [were h]ere last week in part to [assess] the timing and feasibility [of the] issue. One possible date [being] suggested is after next [year's] general election.

[Among] favourable factors for a [lo]an, Mr. Saleh pointed out [that no]n-oil exports were likely [to be] 25 per cent., or $2.5bn. [higher] this year than anticipated. [Oil ear]nings have also increased. [Re]serves currently stand at [...] from their low point of [...] last September after they [had be]en heavily drawn down to [cover] the bulk of Pertamina's [short-te]rm borrowings.

[By t]he end of this month the [Govern]ment expects a further [boost t]o its credit rating from [the c]ompletion of a $75m. [financi]ng of an extension to the [...] refinery. The lead [manage]rs in the issue—First [Nationa]l City Bank, Bankers [Trust] and Bank of Montreal—[have ha]d difficulty in syndicating [the] loan because recent [unresol]ved disputes on outstand[ing pay]ments due by Indonesia [on tank]er contracts have resulted [in Indo]nesia being technically in [default] on certain bank loans.

Secondary banks have also been scared by recent publicity on political instability and corruption in Irelonesia. Thus the three lead banks are taking on a bigger burden of the loan than they had originally intended, conscious that they will be advancing Indonesia's status as a borrower.

The Government is also now increasingly confident that it can get Pertamina's contested obligations of $2.7bn. on the tanker contracts reduced to less than half that sum. This belief is partly based on a settlement just agreed under which Indonesia will pay under half the originally stipulated price for two tankers ordered from Norway. Intermediaries in the settlement were Chase Manhattan and Bank of America both of whom are among Indonesia's major creditors.

Even if the tanker charges are reduced by half, the Indonesian Government will still have close to $12bn. in outstanding foreign debt. In fiscal 1975-76 because of the decision to liquidate much of Pertamina's short-term borrowings 36 per cent. of foreign exchange earnings or $1.7bn. was spent in debt servicing. With much of this once-and-for-all load off its back Indonesia is expecting a debt servicing ratio this year of 13 per cent., but rising to nearly 20 per cent. by 1979.

The above item would have appeared in yesterday's Financial Times.

[B]eirut settlement call

[BY] OUR OWN CORRESPONDENT BEIRUT, Nov. 16.

[SYR]ian troops of the Arab [peace-k]eeping force consolidated [their p]ositions in Beirut and [other p]arts of Lebanon to-day [Moslem] and Christian leaders [were c]alling for national recon[ciliatio]n and a lasting settlement [of the] hostilities.

[The S]yrian-dominated force, [believ]ed to number 11,000 men, [moved i]nto the capital at dawn [yester]day and in a few hours [had take]n control of key public [buildings] and state offices includ[ing the] central bank, radio, tele[phone and] power stations, Govern[ment bu]ildings, the port and the [...].

[Parti]cipating were Saudi [...], Sudanese and Libyan [troops] but the uniform white [helmet]s of the force in no way [disguise]d the heavy Syrian pre[sence]. [Syrian participation] in the operation [w]as given pan-Arab bless[ing in] the approval by last [month's] summit of the Lebanese [peace f]ormula.

[Th]e barricades dividing the [...]ng *militia* in the western [part o]f Lebanon's capital and [the right-w]ing Christians in the east [were] torn down, Syrian [hegemo]ny over the country [being] an accomplished fact.

[Last] night the people of Beirut [had] their first night of [...] quiet since tthe war began 20 months ago. To-day the rival radio stations began toning down their broadcasts and commentaries as a result of an agreement reached on Monday.

On the political level, Mr. Pierre Gemayel, leader of the right-wing Phalangist Party, has called for a national conference "to decide which Lebanon we want." He ruled out a return to the old system of government reiterating his proposal for a "totally secularised state" and the elimination of religious identification from the identity cards of individuals.

A similar proposal was earlier made by a conference of Moslem leaders under the Mufti of Lebanon, Sheikh Hassan Khaled.

However, Mr. Gemayel's arch opponent, the left-wing leader Kamal Jumblatt, said: "The future of Lebanon's political system must be decided by the fighters"—meaning those who led the fighting on the battle-fields.

In the meantime, Mr. Adel Osseiran, Minister of the Economy, has called for an Arab "Marshall Plan" for the reconstruction of Lebanon—with reference to the European recovery programme for the re-construction of Europe after World War II.

Africa 'bans' unionists

[BY G]RAHAM HATTON JOHANNESBURG, Nov. 16.

[THE S]OUTH AFRICAN Govern[ment to]-day intensified its cam[paign a]gainst the black trade [union] movement by banning [three off]icials of the Urban Train[ing Pro]ject, Mr. Loet Douwes[-Dekker,] Mr. Eric Tyacke, and [his wife], Mr. Jean Tyacke. The[y ma]y now not carry on their [un]ion work and they have [had] other restrictions placed [on the]m. Several black trade [union of]ficials are presently in [detentio]n-without-trial.

[The U]rban Training Project, [which h]as a grant from the [British] Trades Union Congress, [gives] advice, training and ser[vices to] eight black trade unions [with a] total membership of [...]. It recently tried to play [a conci]liatory role in the [Armourp]late strike—the longest [by Afric]ans in South African his[tory. Arm]ourplate is a subsidiary of the British glass company, Pilkington. The company had refused to negotiate with the black Glass and Allied Workers Union.

In a statement, the (African) Glass and Allied Workers Union charged the company with allowing "a comparatively small issue *to blow up into one of major* proportions."

The union said Armourplate constantly ignored the wishes of its work force by not consulting its works committee on the retrenchments which sparked off the dispute, and consistently refused negotiation—both before and during the strike.

Armourplate chairman John Breakspear dismissed the union's allegations as "untrue and unworthy of further comment." He said: "In my view this was not an industrial dispute but a political manoeuvre."

Meanwhile, the Minister of Police, Mr. Jimmy Kruger, said to-day that the police "are going through Soweto . . . cleaning it up." He denied police were arresting children for not writing their examinations. His denial was in response to an allegation that schoolchildren were being rounded-up indiscriminately. Over 600 children have fled the country in the past few weeks to avoid the police campaign and hundreds of others are sleeping in fear away from the home, some in the veld.

[Rhod]esian security forces [said] *yesterday that 29 more [guerrill]as had been killed in [the las]t 24 hours, writes our [Salisbu]ry correspondent. They [also an]nounced the murder by [guerrill]as of a 28-year-old white [...]. Mozambican forces [meanw]hile claimed to have [shot d]own seven Rhodesian* [...]

Malaysia oil production sharing agreement

By Wong Sulong

KUALA LUMPUR, Nov. 16.

FULL AGREEMENT has been reached on oil and gas production sharing between Malaysia's oil company, Petronas, and Shell and Exxon, ending 18 months of confrontation and deadlock between the two parties.

Malaysian Prime Minister, Datuk Hussein Onn, who had set yesterday as the deadline for the conclusion of the talks, told Parliament to-day that the agreements were expected to be signed at the end of the month with Shell (Sabah and Sarawak), Exxon, and Pecten Malaysia, an American company providing exploration services to Shell.

While details of the agreements are still secret, it is believed that Petronas had to make several major concessions to get the foreign oil companies to come to terms. Malaysian oil officials said the production sharing formula would be similar to the Indonsian model but the companies would get "more barrels of oil" from Petronas than they are getting from Pertamina.

Datuk Hussein told Parliament that with the successful conclusion of the negotiations, Malaysia could now look forward to the rapid development of its oil and gas resources.

The Prime Minister made no *mention of Conoco, but it is ex*pected that the company will soon come to an agreement with Petronas. The company have discovered what appeared to be promising quantities of oil off Pahang state, but are not yet producing.

Shell is producing 165,000 barrels of oil daily, while Exxon has been taking out about 5,000 barrels daily from its Tembungo field in Sabah just to cover its operating costs. However, Tembungo can be made to produce 25,000 to 30,000 barrels daily with additional wells, while Shell's production can also be increased substantially. Besides oil, the two companies have also found large deposits of natural gas.

Opec experts study world inflation rates

VIENNA, Nov. 16.

SENIOR ECONOMIC experts from from oil-exporting countries studied global inflation rates to-day before framing recommendations for higher oil prices.

The Organisation of Petroleum Exporting Countries (Opec) refused to say what progress was being made as Opec's economic commission began a second day of backstage discussions on the pricing issue.

The commission will draw up recommendations for oil ministers of Opec's 13 member governments. Only the oil ministers, due to meet in Qatar next month, can decide on higher prices.

The economic experts, meeting at Opec's Vienna headquarters, were studying statistical data showing that Western inflation rates had risen by about 30 per cent. since Opec's last price increases took effect in October, 1975, it is believed.

There is strong pressure within Opec for prices to be raised next January by at least 10-15 per cent.

Opec's ministerial price-fixing conference was set to meet in Qatar on December 15, but some Opec governments were reported considering a slight postponement because the date clashes with a scheduled session of the Paris Conference on International Economic Co-operation.

The Paris conference, where oil producers and Western importers are trying to hammer out a rational economic policy, has run into difficulties, and the next ministerial session could be important. Opec officials had no comment on reports that the Qatar meeting might be delayed.

The Opec experts in Vienna, due to meet for at least seven days, were expected also to discuss a proposed formula on price differentials affecting different types of petroleum. There has often been friction between Opec countries over this problem. The experts may also continue discussions started last year on an Opec policy for natural gas supplies.

Reuter

ON OTHER PAGES

SINO-SOVIET RELATIONS

Peking's balancing act

BY COLINA MacDOUGALL

VICE-PREMIER Li Hsien-nien's speech at a banquet in Peking on Monday night, and the ensuing Soviet walk-out, seems to have put an end temporarily to speculation about an improvement in Sino-Soviet relations.

The Vice-Premier (who, title notwithstanding has effectively taken over the functions of the late Premier, Chou En-Lai) explicitly rejected recent Soviet overtures, declaring that Moscow was deliberately trying to confuse the distinction between Marxism and revisionism, and had demanded that Peking change its policies.

But however outspoken as the Vice-Premier was, the new Chinese leadership does seem to have hesitated slightly since Chairman Mao's death over the question of relations with Moscow.

Certainly, the Chinese rejected messages from the USSR and other Eastern bloc countries. They also continued to preach widely about the iniquities of the "new Tsars." But some observers spotted a diminution of anti-Soviet propaganda within China, and the Chinese at the Soviet Revolution anniversary party in early November did not walk out, *although this year the more* temperate Russian speech gave them less occasion to do so.

There are also good reasons why Peking might have altered its view. The new chairman, Hua Kuo-feng, does appear to be a pragmatist. Experienced officials seem to be well in control. The programme for economic growth sketched last year by the late Premier Chou En-lai is to be the blueprint for development in which foreign technology is to resume its earlier prominent place in the expansion of industry.

Such pragmatism suggests that Peking could have begun to re-think its bitter attitude to Moscow. That view is supported by the present composition of leadership, which now looks like an alliance of veteran officials and senior army men. Hua and the military seem to have an understanding; the army Press has supported him strongly; he made his debut as Chairman in Peking wearing army uniform; and he gave the top job in Shanghai to a senior naval man.

Both military and the pragmatists in the leadership might want to review Mao's long campaign against Moscow. The problems of defence of the huge land border between the two nations, and the uneasiness some of the Chinese military have felt at the weakness of their forces compared to the Soviet Union, mean that the question has almost inevitably been discussed.

However, the still unsettled domestic situation makes it difficult for too many initiatives to take place at once. Chairman Hua is striving hard to legitimise *himself as Mao's heir.* He clearly has a mandate from most people to reject radicalism and pursue economic growth, but he might endanger his position if he seemed to be diluting Peking's doctrinal and nationalistic stand in its dispute with the Kremlin.

In any case, there is the unresolved problem of Madame Mao and her assistants, who have been charged with "illicit relations" with unspecified foreign countries. If the acusation is to be that they formed ties with Moscow, the Chinese leadership cannot at this point redefine its own relationship with the Soviet Union.

But for any Chinese Government, Moscow is only one of several factors in its foreign policy. Peking's present priorities could well be its relations with the U.S. and the problem of Taiwan. Nothing would boost Hua's prestige like the recovery of the second China, while the military in Peking could be re-assured that good relations with the U.S. would mean some kind of understanding on keeping the Russians as far as possible out of China's traditional spheres of influence, East and South East Asia.

Peking's slight hesitation in the last month or so could be partly accounted *for* by its uncertainty about U.S. *future* policy. The Chinese are facing a new and unknown President, and more-over several months of inaction before he takes office. Moscow's awareness of this might explain the pressure it is presumed *in* some quarters to have applied in order to persuade the Chinese to adopt the Soviet line.

There may now be some impatience in Peking over Taiwan. Rumours — hotly denied by Taipei—have already circulated to the effect that a team from the island republic visited Peking *for* discussion on some form of federation between them. The Peking leadership has already waited quietly for more than a year, on the understanding that the U.S. could make no move until the presidential election was over. But with South-East Asia now settled down since the U.S. withdrawal from Vietnam last year, in a month or two the Chinese could reasonably press for some initiative from Washington.

Apart from Taiwan, it is reasonable to assume that Peking's aim is to acquire the international status and economic strength felt to be proper for as the largest people in the world. Once the Taiwan situation is resolved, the shortest road to achieving this is probably the middle course between the U.S. and the USSR, where they can play on the degree of uncertainty that both Moscow and Washington may feel.

At present, with economic growth as the key objective, the Chinese are most unlikely to want to alarm the U.S. or the Western world by close relations with the Soviets. Their own interests are better served by freedom to buy the latest industrial equipment from the U.S., Europe or Japan, than by dependence on the less-advanced industries of Eastern Europe.

The U.S. Government recently showed that it understood this by granting permission for the sale of two computers as a gesture of goodwill towards the new Chairman.

Even a return to pragmatic policies (some might say revisionist) would not necessarily predispose the Chinese in favour of the Russians. China's most revisionist period, the early '60s, was the time when the doctrinal dispute was fanned by Mao—with the apparent support of the Chinese leadership — to its greatest height. Even if the Chinese in the future move closer to the Soviet Union, any resumption of the old fraternal relationship seems impossible.

In any case, China does not need the kind of ally it had in the Soviet Union during the '50s. Then, it was still making friends abroad and its diplomacy was not well established. Its battered economy was recovering from a period of devastating war. To-day it is a member of the UN, has forged a flourishing foreign policy in most of Asia, Europe and North America. In Africa, and even in the Soviet bloc, it still has admirers.

It is conceivable that eventually relations between the two countries might improve, but not to the old level. If anything, as China grows more powerful, the rivalry between them seems likely to increase. Peking might in due course wish to restore good government-to-government relations, settling the border issue and playing down ideological differences, but it seems most unlikely to prejudice its existing friendships and understanding by a hard-and-fast alignment with the Soviet Union.

Mr. Li Hsien-nien

Israeli budget

ISRAEL'S RAMPANT inflation can be expected to continue during 1977, writes L. Daniel from Tel Aviv. This emerges from the draft budget submitted to the Cabinet. At I£127bn. ($14bn.) it represents an increase of 40 per cent. over that for 1976-77.

The budget envisages a price rise of 30-36 per cent. with subsidies on basic foodstuffs (which only recently went up by 20 per cent.) due to be cut further, resulting in an increaed cost for all staples of at least 40 per cent.

Defence expenditure is in for a drastic cut in real terms, since it will remain virtually unchanged in nominal terms at I£2.8bn.

The budget foresees an increase in unemployment from the present nominal 3.4 per cent to 5.3 per cent nominal, since requests for workers still exceed the number ot job seekers.

Japan on cars

FOREIGN car manufacturers appear certain to be granted at least a two-year deferment of the stringent exhaust controls due to be imposed on Japanese manufacturers in April 1978, Charles Smith writes from Tokyo.

There is a possibility that foreign companies may be granted even more lenient treatment, either being given a three-year deferment or by having the controls waived until manufacturers consider they are in a position to meet them.

The Environmental Protection Agency and the Ministry of Transport are believed to have conceded a two-year deferment in discussions with the Ministry of International Trade and Industry and the Foreign Ministry, both of which are concerned about the impact that strict enforcement of the controls could have on Japan's trade

The above item would have appeared in yesterday's Financial Times.

WORLD TRADE NEWS

'No change' in British policy over submarines

BY HUGH O'SHAUGHNESSY AND JOHN WYLES

British policy is to continue the ban on taking new orders for arms for Chile despite enquiries from Chile about the possibility of buying two more Oberon class submarines for the Greenock yard of Scott Lithgow at an estimated cost of £20m.

Yesterday the Foreign and Commonwealth Office confirmed that the arms ban, first announced by Mr. James Callaghan in April, 1974 when he was Foreign Secretary, was still in force. An FCO spokesman said there had been no contact between Scott Lithgow and the FCO on the subject.

Scott Lithgow recently delivered one Oberon class vessel to the Chileans and is to hand over a second one in January completing an order in 1969 from the Christian Democratic Government of President Eduardo Frei.

The Chilean Government mooted the possibility of new submarine orders when the first submarine, the O'Brien, was delivered in June. Subsequently in connection with the continuing dispute over the delivery of Rolls-Royce aero engines to the Chilean air force, General Gustavo Leigh, the Chilean air force commander and member of the four-man military junta in Santiago, stated that Britain would receive no more big orders from Chile.

Nevertheless the Chilean Navy's interest in two more vessels continues. Four is seen to be the minimum number for the effective deployment of a submarine flotilla.

If the Chilean interest in the orders is sustained it could pose a difficult problem for the Government. It would have to choose between turning away work at a time when British shipbuilding order books are thin and changing its policies towards Chile in the face of criticism from the anti-Pinochet lobbies.

The Government is, however, understood to be adamant that no new arms orders will be accepted from the Chilean junta.

It is understood the Chilean Government has not taken a decision to go ahead with the purchase of two more submarines but that if it did it would seek two Oberons as its first preference before seeking vessels elsewhere.

Threat to Australia-Japan pact

BY KENNETH RANDALL CANBERRA, Nov. 16.

Australia has threatened to terminate her fisheries agreement with Japan if the Japanese Government persists with its proposed sharp reduction in meat import quotas for the first half of next year.

The Japanese authorities confirmed to-day their intention to limit meat imports from all sources between January and June next year to 20,000 tonnes compared with the quota of 45,000 tonnes applying in the current half-year.

The Japanese Ambassador to Australia, Mr. Yoshio Okawara, admitted that the sharp cut-back was a political decision which may not last long after the Japanese general elections are safely over, but the Australian Government has now committed itself to a position from which there is no easy way out.

Sales to Japan are just as contentious an issue with Australian meat producers as they are with Mr. Miki's rural constituents, even though there is no Australian election in the immediate offing. The Australian beef industry is in desperate straits and facing major reconstruction.

Nevertheless, the public threat wielded to-day against Australia's important trading partner is without precedent in recent years.

Answering a question in Parliament, the Minister for Primary Industry, Mr. Ian Sinclair, pointed out that the Australia-Japan fisheries agreement was due to be renegotiated on November 27.

IBM launches new 'minis'

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

INTERNATIONAL BUSINESS MACHINES yesterday launched a new assault on the lucrative bottom end of the international computer market, with two models in the "Series 1" range.

The announcement from IBM's General Systems Division in Atlanta, Georgia was brief, but the price and marketing terms of the new products leave no doubt that the world's leading computer company is aiming at a major part of the market hitherto dominated by mini-computer makers such as Digital Equipment and Data General.

For only the second time, IBM is offering a computer system only for purchase; terms for most of its past systems have been geared heavily towards the rental or lease markets. The two models, numbered Three and Five, will sell at between $10,000 and $100,000 in North America, to which yesterday's launch was confined. The European launch date has not yet been revealed.

The price will include operating system software, but no applications programmes. Memory size will range from 16,384 bytes up to 131,072 bytes.

South African steel plant delayed

BY RICHARD ROLFE JOHANNESBURG, Nov. 16.

ISCOR, the South African State-controlled steel producer and iron ore exporter, has confirmed that its plan to build a semis plant at Saldanha Bay, its new harbour on the Western Cape coast, has been shelved "until there is an improvement in the international and South African capital markets," according to the general manager, Mr. J. P. Coetzee.

The plan, formulated over the past few years, was to exploit the new rail link between the harbour and the iron ore mines 500 miles inland to establish a complex consisting of two blast furnaces, continuous casting plants, and a mill for rolling continuously-cast blooms into billets. Initial output was slated for about 3m. tons per year, with the possibility of expanding to 12m. tons.

ISCOR representatives met last month in Japan with the other partners in the semis venture, Voest of Austria, Klockner of West Germany, Italsider of Italy, and the Dutch-German combine, Estel.

Iscor said yesterday that although "without exception the partners are very keen to go ahead with the project, neither ISCOR itself nor the partners are in a position at present to find the capital to take on a project of this size." Initial estimates were for a capital cost of R600m., but this has now escalated to about R1.3bn.

It has been agreed that the principals will meet again next year for further talks. Meanwhile, it is interesting to note that shortage of capital, rather than doubts over whether the world market could absorb the new semis capacity, has been given as the reason for the deferment.

The project would have major implications for the South African balance of payments based on the rule of thumb calculation that the semis could sell at about R100 per ton to provide a big added value over the iron ore input.

The South African Finance Minister, Mr. Owen Horwood, has added that the future of other big capital projects, such as Sasol II and the Koeberg nuclear power station, is assured. He said that the Saldanha semis plant was "in a slightly different category from the others, since we always had in mind that it would have to be reviewed against changing conditions."

Scania expands in Brazil

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

STEADY EXPANSION in the South American truck market has prompted Scania, the Swedish commercial vehicle manufacturer, to seek a further site to extend its present heavy vehicle manufacturing facility in Sao Paulo.

The new move follows first-half figures which show that Scania has attained the number one position in the Brazilian heavy truck market with a 40 per cent. share. Sales in this period, at 1,830 units, were up by more than 5 per cent. over the corresponding period of 1975.

Scania do Brazil's present capacity stands at about 10,000 units a year. This year the company expects to produce 4,500 heavy vehicles but it is expecting a rapid increase in the South American market, and believes it will need new facilities by the early 1980s.

The Swedish company first established a subsidiary in Brazil in 1957. It has recently announced a new £2.6m. plant at Cergy-Pontoise in France, and has started up a truck factory at Tucuman in the Argentine.

Accra hotel

The Zurich company, International Hotel-Management Pro hotel which has affiliations to Swissair, is to carry out project work and subsequently will open and manage a 400-bed hotel near the city centre of Accra. The initiator and promoter of the project is the Ghanaian Government.

Paterson Candy wins Turkey contract

Financial Times Reporter

PATERSON CANDY International, through its subsidiary Water Projects International, and Guris Insaat of Turkey, has been awarded a £15.6m. turnkey contract for the construction of a major new waterworks at Ankara, Turkey.

Under a joint venture agreement Guris Insaat, a Turkish civil engineering contractor, will be responsible for the design and construction of the civil and building works for the project, while PCI will engineer, install and commission all equipment for the treatment plant and for ancillary plant on the site. The direct U.K. export content of the four-year project is about £4m.

The contract covers the provision of a complete water treatment complex at Ivedik, six miles from the centre of Ankara, and a chlorination station at the outlet works on the Kurtbogazi Dam, some 20 miles from the treatment plant.

The treatment works is designed to be constructed in four streams. This present contract covers the first stream, giving a treatment capacity of 560,000 cubic metres a day. The works is destined to have an eventual capacity of 2¼m. cubic metres a day and some aspects of the plant for Stream 1 have been designed with the work's ultimate size in mind.

PCI, a member of the Portals water treatment group, last week also won a £1m. order from Concorcio de Abastecimientos de Aguas del Rio Llobregat of Spain, for the engineering and supply of a plant for ozone installation.

Alarm clock duty

The Department of Trade yesterday imposed an anti-dumping duty of 90p per item on mechanical alarm clocks imported from the People's Republic of China. The duty, which does not apply to travel alarm clocks, follows an investigation by the Department of Trade, which showed that dumping had taken place and caused material injury to the British industry.

Metering order

Saudi Arabia's Ministry of Posts, Telegraphs and Telephones have purchased a postage metering system from Pitney Bowes worth in excess of £100,000.

Navy instruments

Aeronautical and General Instruments, the Croydon-based manufacturer of aerial reconnaissance cameras and marine logs, has been awarded a contract valued at £350,000 for the supply of their Electro Magnetic Speed and Distance Log for all new ships currently approved for the Royal Norwegian Navy.

France extends new credits to Egypt

By DAVID CURRY PARIS, Nov.

THE FRENCH Prime Minister Mr. Raymond Barre, has marked his first official overseas trip by committing companies to granting new credits to help Egypt's transport and communications programme.

In addition, the French Defence Minister will visit Cairo in December presumably hoping to advance Franco-Egyptian discussions on the supply of armaments and weapons technology. It is understood that Cairo has not yet decided how to divide its resources between developing its own armament industry and buying off-the-peg weapons from outside.

Mr. Barre has added a further Frs.100m. in credits to the Frs.160m. already promised towards the Frs.1m. cost on the proposed Cairo Metro while French and Egyptian experts are settling details of the con tion of a tunnel under the Canal which should result protocol providing for Frs. in loans.

A further agreement the expansion of the Eg colour TV network using SECAM technology and ing the telecommunication work.

The Egyptians are appa no closer to a decision on ing a contract to set up t tory to make tyres for vehicles for which Goodye Michelin appear to be the runners.

The communique also t upon the possibility of co tion eventually in diverse trial fields including infor technology, civil engin food industry, industrial and energy.

Rise in Dm value 'has n damaged industry expor

BY ADRIAN DICKS BONN, No

THE West German capital goods industries should have little to fear from the increase in imports, and do not appear to have been seriously damaged by the rise of the Deutschemark against the currencies of their foreign customers, the IFO Institute of Munich concludes in a newly-published study.

The institute set out to examine the general proposition that the West German capital goods sector has in effect priced itself out of some of its markets because of international currency movements, at the same time losing ground on the domestic market to its competitors.

Imports have been taking a growing share of the total market in West Germany itself, the study finds, yet this is not a sudden development. The 19 per cent. rise in capital goods imports during the first half of this year, according to IF largely due to higher pu of computers and other equipment, of spe machine tools and el equipment.

Overall, the study co that the principal reason success of imported go these groups was th greater international sp tion in producing machi and similar equipment.

This specialisation, institute finds, also work advantage of West exporters, in that price be a less important consi to their customers th certainty of getting prec right type of equipment.

Continuing difficulti some capital goods m turers, according to IFO, result not of a rising but of continuing weak in other countries.

German investment

BY GUY HAWTIN FRANKFURT, No

DIRECT INVESTMENT abroad by the West German electrical industry totalled DM253m. (£64.2m.) in the first half of the year—5.7 per cent. more than in the same period of 1975. The vast bulk of it went to developing countries.

The industry's overseas investments amounted to DM4.67bn. (£1.19bn.) by the end of June. Foreign direct investment in the Federal Republic's own electrical industry stood rather below this figure at DM3.9bn. The inflow in the first six months totalled DM121.7m., only 3.2 per cent. up on the same period of last year.

Some 76 per cent—DM —of the West German ment went to third countries, compared wi per cent. average for the Republic's industry as a

The figures issued Central Association Electro-technical Indust that the main investmen was Brazil which DM57.5m., or 21 per cen total West Germany's ment during the first six came close to the invested there by their U petitors.

Leading the foreign ment in West German was the U.S. and Swi with investment from totalling DM59.4m. (up cent.), while inflows Switzerland totalled D (up 3.8 per cent.).

IATA creates post to strengthen diplomatic ties

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AS PART of its efforts to strengthen its organisation, the International Air Transport Association, representing more than 100 of the world's major airlines, has appointed Mr. Floyd D. Hall, chairman of Eastern Airlines of the U.S., as chairman of the IATA Executive Committee from January 1.

This is the all-powerful policy-making committee of the IATA, which determines the world airline industry's attitudes to a wide range of issues, but particularly covering its relationships with governments.

Hitherto, the director-general of IATA, Mr. Knut Hammarskjold, has combined the roles of diplomat and government Civil Aeronautics Board liaison officer with the day-to-day tasks of running the association. The burden of work has become such that the executive committee felt he needed an assistant.

Mr. Hall will henceforth take on much of the diplomatic and liaison work previously undertaken by Mr. Hammarskjold, especially with the U.S. Government, leaving Mr. Hammarskjold much freer to look after IATA's daily affairs.

Mr. Hall has also been appointed the IATA regional representative for the U.S. ensuring that the association has the closest possible relations with major U.S. civil aviation organisations, such as the Federal Aviation Administration.

Qatar project

Ewbank and Partners, consulting engineers, have been engaged by the State of Qatar to engineer and supervise additions and improvements to the country's electricity supply network. The projects involve a total investment of well over £300m.

Export 'failure'

Conservative MP Mr. Michael Morris (Northampton South) is seeking an urgent Government statement on what he calls the "pathetic" failure of the Government's Export Year to improve trade. He claimed that only 700 firms out of a potential 100,000 had said they would take part.

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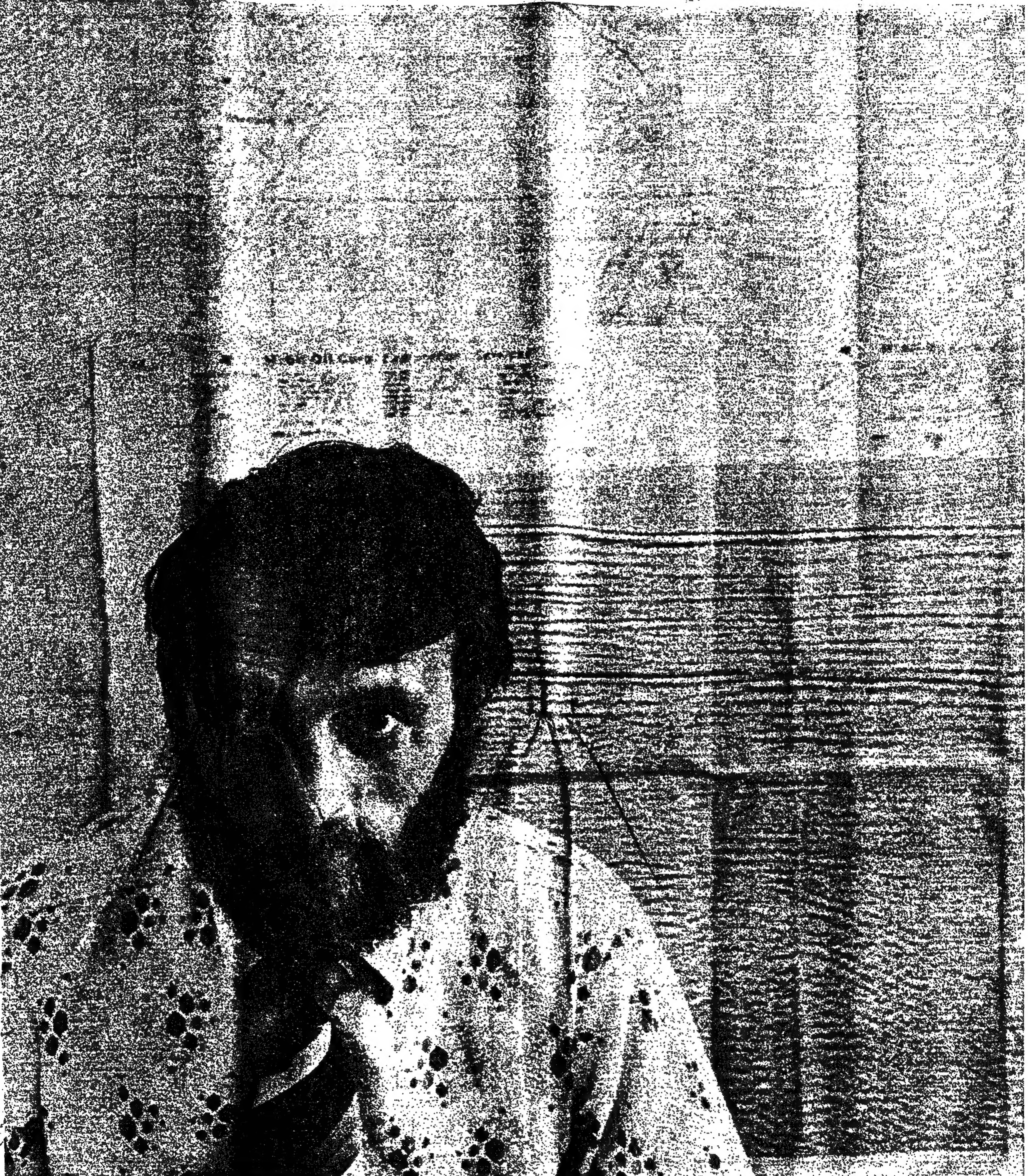

Photograph: Gus Wylie

"Short" Allerton frets over long odds.

H.A. "Short" Allerton is a geophysicist in our ondon offices. His principal work is the interpretation of ata gathered from seismic surveys in the North Sea. The bject is to tell Mobil where to drill.

When Allerton is right things can be very good, ut when he's wrong they're horrid. Operating a drilling g out there costs £30,000 a day: recommendations off ie mark can be spectacularly expensive.

Short Allerton enjoys his job. He says seismic interpretation is an area where science, art, and imagination come together, and he finds it extremely stimulating.

Everyone in the exploration and production end of the oil business frets about the odds against actually finding oil in commercial quantities. Happily, though, Mobil has had good exploration success in the North Sea, where we are operators on the Beryl and Statfjord fields.

We're there to make a profit, of course. But we are particularly pleased to think that as well as the income, this North Sea work will help to bring energy self-sufficiency to Britain.

The odds are long, as geophysicist Allerton will tell you. But we're out there trying, and we're pleased to have him with us.

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HOME NEWS

Scottish Council's role may soon be altered

BY RAY PERMAN, SCOTTISH CORRESPONDENT

AN ANNOUNCEMENT will be made soon by the Government which could have implications for the future of the Scottish Council (Development and Industry).

Since the setting up a year ago of the Scottish Development Agency (equivalent to the National Enterprise Board in England) talks have been going on which could lead to the agency's taking over the industrial promotions function of the council—a partnership between employers, trade unions and local authorities which exists largely on voluntary subscriptions from its members.

The Government statement will announce an interim measure aimed at enabling the development agency to make use of the considerable expertise in industrial promotion built up by the council and exploit its broad base and goodwill.

It is likely that the Government will cease paying its annual £150,000 contribution towards the council's promotions work and that this sum will be provided by the development agency instead.

Although by no means all of the council's work, the promotions side is the one for which it is best known. Since the war it has had considerable success in attracting foreign investment to Scotland, particularly from the U.S.

The new arrangement is termed interim because it is intended that it should last only until the development agency has built up its own promotions organisation. However, there will not be room for two bodies doing essentially the same work in Scotland and it is unlikely that the Government will agree to resume its payments to the council.

Since the Fifties and Sixties the council has moved away from the simple aim of attracting direct manufacturing investment and now tries, in addition, to encourage joint ventures, partnership agreements, agency deals and licensing arrangements between Scottish and overseas companies.

Britain may change its electric plugs

BRITAIN could be on the verge of adopting a completely new electrical plug and socket system.

The new design has been agreed by the International Electrochemical Commission after years of study, and is being presented to the member-countries, including Britain, for approval.

The change, if accepted, would take place over many years, a British Standards Institution spokesman said yesterday.

If the design received sufficient support, it was possible the EEC Commission would issue a directive for its use, an institution statement said.

The plug would be rated at 16 amps, and the socket would accept either a two- or three-pin plug which would have rectangular pins.

The proposed design was much smaller and more compact than existing British systems, and if the trend in industry was towards moulded-on plugs, it was likely the new design would be incorporated into them.

If agreement by member-countries was reached, it was inevitable that equipment fitted with the new plug would find its way here, whether or not Britain adopted the system.

Mr. Jim Robbins, chairman of the institution's power electrical standards committee, said: "Despite all our arguments, we could not sell other member-countries of the Commission the idea of fused plugs such as we have here."

A seminar on the issue is to be held in January.

Truck industry talks on rationalisation

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE PROSPECT of further significant rationalisation of the U.K. part of the £160m. industrial truck manufacturing industry emerged last night when Coventry Climax and Rubery Owen Conveyancer said they were looking at the possibility of "a close working relationship."

This follows recent public discussion about the urgent need for a restructuring of the U.K. industry where 12 British companies battle against three multinational corporations manufacturing in the U.K.

The prospect originated with an approach by Rubery Owen, the privately-owned components group, to the Department of Industry asking for some kind of financial help for the loss-making conveyancer off-shoot.

This has been a drain on group resources at a time when most of the other Rubery Owen companies have been doing fairly well.

Now it seems that Conveyancer, which exports about half its £20m. output, has been passed on to the National Enterprise Board and Coventry Climax in the hope that a solution can be found.

At first sight, the two companies do not fit well. Both are particularly successful with diesel-engined trucks of 3,000-10,000 lb. capacity, so there is a considerable overlap in the product ranges.

But Mr. David Abell, managing director of Special Products, insisted that the two companies' products were a much better mix than he had expected; that Coventry Climax could benefit from Conveyancer's strong performance in overseas markets like Iran, Israel and Nigeria; and he had been impressed by the facilities at the Warrington plant.

Then Conveyancer faces considerable rationalisation and industrial relations problems as its operations are spread over three factories — the biggest at Warrington.

In October, the group announced it had started discussions with the unions to reduce the labour force by 12½ per cent. or 200 out of 1,600.

Conveyancer can offer Coventry Climax—part of British Leylands special products division, the Karricon straddle-carrier for handling containers which would give it an entry to this heavy end of the business.

It has become obvious over the past few months thta Coventry Climax and Lansing Bagnall, Sir Emmanuel Kaye's private group, would provide the main vehicles for the rationalisation of the highly-fragmented U.K. industrial truck sector.

Coventry Climax, which also has a £20m. turnover, has acquired the assets of Joshua Shaw, thus adding a side-loader to its range, and announced a £2m. expansion programme aimed at doubling its 5,000-unit capacity by 1978. Some of that cash has already been committed.

Welsh water scheme approved

THE WELSH Water Authority yesterday approved a plan to turn the Craig Goch reservoir in mid-Wales into the biggest in Britain at an estimated cost of at least £40m.

The plan involves enlarging the existing reservoir near Rhayader, Powys, and building a new dam. When completed Craig Goch will be able to hold at least 52,000m. gallons. It will supply South East Wales and the Midlands.

It is a joint project between the Welsh National Water Development Authority and the Severn Trent Authority. It still has to go before a public inquiry.

Mr. Ron Lawrence, chairman of the Welsh Water Resource Planning Committee, told water authority members at their meeting in Brecon yesterday, the new dam would be about 1,200 feet above sea level. It would be higher than that if required by national interests, he said.

Members of the Severn Trent Water Authority will consider a recommendation from their planning committee that the scheme be approved when they next meet on December 2.

The new reservoir will be five miles long, with a perimeter of 21 miles.

If the prospect goes ahead construction will start in 1979-80 and the first supplies will be available by the mid-1980s. The Severn Trent Authority will get 80 per cent. of the water and the Welsh Authority 20 per cent. with costs being borne proportionately.

Reynolds' marketin[g] returns to Geneva

BY STUART ALEXANDER

THE U.K. marketing department of R. J. Reynolds, the U.S. cigarette and tobacco group, is to return to Geneva after a short two-year life in Windsor.

Sales of the group's products in the U.K.—More, Camel, and Reyno — will continue to be handled by Imperial Imports, a subsidiary of Imperial Tobacco, and Reynolds said yesterday that it would continue advertising and marketing in Britain.

"I think it would be extremely unfortunate for people to say we are packing up and going home," said Mr. John Webb, who was managing director and company secretary of Reynolds in the U.K.

The marketing department consisted of eight people, including three secretaries, and appears to have been used more for market research and more specifically the U.K. launch of More during its establishment here.

The return to Geneva has puzzled some observers, coming as it does at a time when the U.K. market is gearing up [...] full-scale marketing battle [...] of EEC tax harmonisation [...] is expected markedly to [...] price differentials.

Reynolds says it has no [...] to extend its U.K. foothold [...] near future, but adds th[...] wishes to keep its options [...] and points out that it run[s] its European and North A[...] operations from Geneva [...] cigarette products will co[...] to be imported from [...] Germany.

● Imperial Tobacco Interna[...] has moved into three f[...] European markets — Be[...] Luxembourg, and Gibralta[r] [...] is part of a continuing p[...] strengthen exports followi[...] ending of reciprocal t[...] agreements with British [...] can Tobacco. Imperial [...] market its house names [...]

This brings Imperial's [...] number of overseas outl[...] nine. The other six are [...] mark, West Germany, [...] land, Italy, Austria, and t[...]

Player adds prizes to sell King Size

BY STUART ALEXANDER

ANOTHER heavy promotional campaign is being launched for John Player King Size and King Size Extra Mild at the end of this month.

Costing over £250,000, it will take the form of a sweepstake administered for Players by Vernons of Liverpool together with a guess-the-number competition.

Imperial Tobacco, which owns John Player, had already spent heavily on an initial launch offer of 100 cigarettes free for every 200 John Player King Size bought —an offer which Imperial's competitors said had cost far more than expected.

However, Imperial is claiming that the brand has taken second place in the king size sector, displacing Rothmans and with between 25 and 30 per cent. chasing the long-standing king size best seller, Gallaher's Benson and Hedges Gold Filter.

Imperial further claims to have displaced Gallaher's best seller in the mild cigarette segment of the king size sector, Silk Cut King Size, with its Extra Mild version of John Player King Size, launched only two months ago.

This latest assault marks Imperial's determination to dominate the king size [...] an area where it has n[...] traditionally strong.

The market has been [...] fast, and manufacturer[s] [...] engaged in a price cuttin[g] [...] since August. This was [...] by the impending m[...] January 1, 1978, to a r[...] system for cigarettes in [...] the rest of the EEC.

The change is likely [...] down price differentials [...] large and small ci[...] which is a feature of t[...] market.

The price battle als[o] [...] from the growth in th[...] cigarette market over [...] four to five months whi[...] seen their share of over[...] rise from 7 per cent. to [...] cent.

Player is hoping not [...] improve its market sh[...] taking business away f[...] competitors but to [...] smokers who wish to tra[...] king size.

There will be a sw[...] each week-day from N[...] 29 to December 24 wit[h] [...] prize of a Ford Cortina 2[...] In addition, there will b[e] [...] prizes and vouchers.

Economic package 'co[...] lead to acute recession

BY KEVIN DONE, INDUSTRIAL STAFF

THE GOVERNMENT'S forthcoming economic package could push "a sluggishly growing economy into the murky depths of acute recession," Mr. Alan Rose, chairman of the Textile Distributors Association, said yesterday.

The textile industry, which is going through some of the worst years in its history and is facing a balance of trade deficit that has risen in the first nine months of the year by 80 per cent. compared with the same period last year, is now facing a "dismal scene" with no prospects of a let-up in Government restraints.

Mr. Rose told the association's annual general meeting that he would abhor any increase in taxation because it would not only increase the rising cost of living, but also add further damage to the textile [...] which was already hard [...]

His association depi[...] "signal failure so far of [...] sent Government to w[...] knife purposefully a[...] tively in slashing publ[ic] [...] diture."

He criticised some qu[...] the retail textile tr[...] "meekly accepting" hig[...] of VAT as inevitable. [...] approaches to the Chan[cellor of] the Exchequer had bee[n] [...] istic and too polite.

"The best way to do [...] harm to business acti[...] employment was to tra[nsfer re]sources from the public [...] the private, where they [...] put to better use.

Mr. Rose expressed h[...] some new incentives f[...] ment would form par[...] Government's forthcom[ing] [...] age.

IN BRIEF

A summary of some of the Home N[ews] we were unable to publish yesterday

South Africa sailings to end

An end to more than 100 years of regular passenger sailings between Britain and South Africa has been announced by Union Castle and Safmarine, the South African shipping line.

The last two pasenger mailships will be withdrawn from the route "in the latter part of next year."

Retirement of the two ships, the Windsor Castle and the SA Vaal, is timed to coincide with full containerisation of the U.K.-South African trade.

Retail sales fall

Spending in shops fell slightly during October from the level of the previous three months as the impact of the income tax rebates tailed off.

The index for the volume of retail sales dropped by just over 1 per cent. last month to 107½ from 108.8 (1971 = 100), seasonally adjusted, according to provisional figures.

Moscow direct

Direct international dialling facilities for calling Moscow and Bombay have been opened by the Post Office as the latest stage in a £200m. programme to expand overseas telephone services.

VAT error guide

The Customs and Excise has agreed that where errors of less than £250 are found by auditors in VAT returns, the errors may be corrected in the business's next VAT return. Where the error involves more than £250 businesses are advised to inform the local VAT office immediately in writing that an error has been discovered.

Fidelity cost clash

The scheme to rescue Fidelity Life Assurance from liquidation by guaranteeing policyholders 100 per cent. of their contractual benefits has run into more trouble over settlement costs.

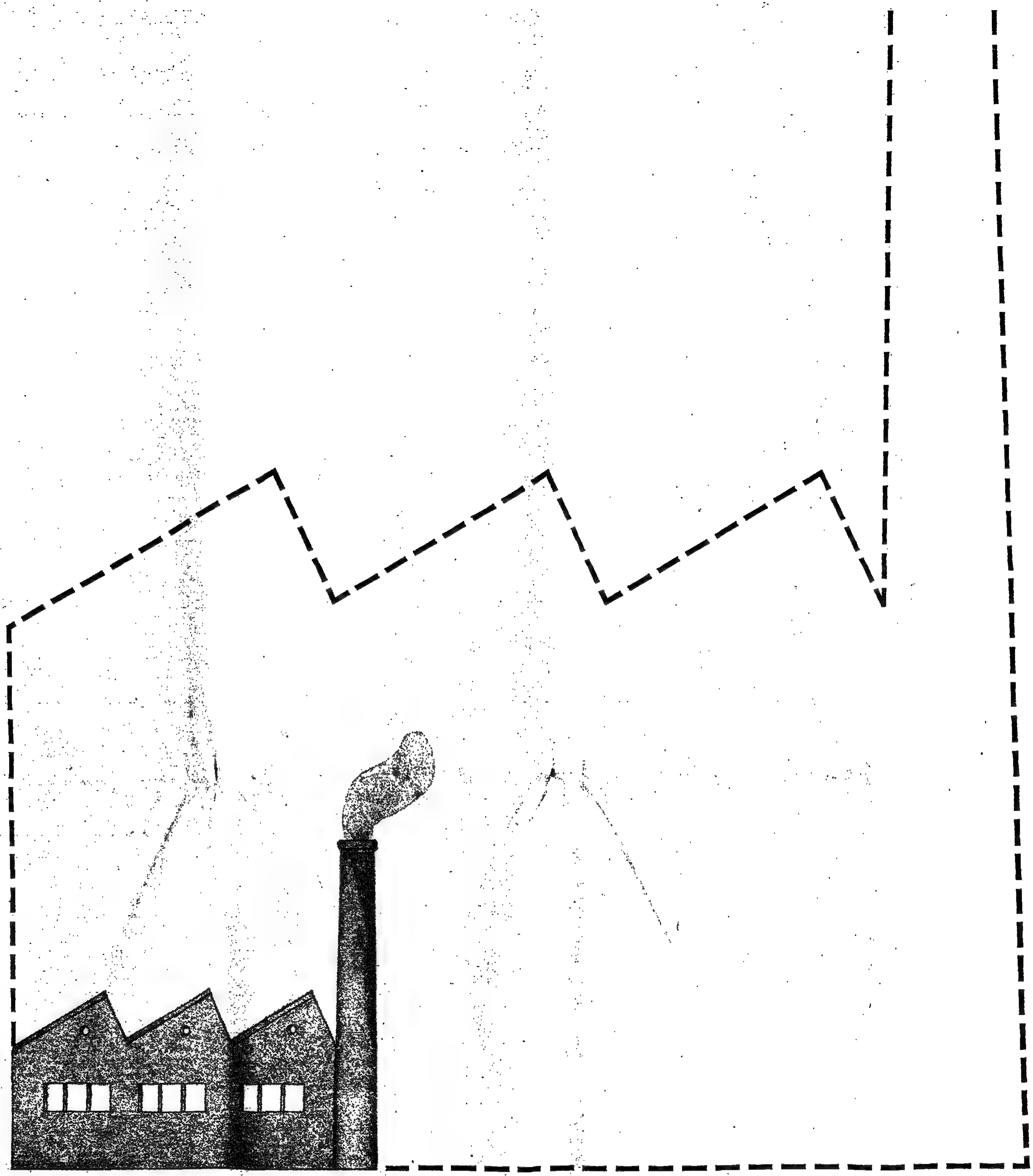
This time the policyholders [...] costs after the recent se[...] between Fidelity Corpora[tion] [...] company's American par[ent] [...] the reinsurer creditors, [...] £10,000 toward costs.

Charity's £5m.

The Charities Aid Foun[dation] [...] the successor to the Char[ities] [...] Fund—distributed mor[e] [...] £5.2m. to charity in its [...] year, the 12 months to [...] of April. Its first annua[l] [...] says it is confident [...] figure of £6m. will be [...] by the end of this year.

Pension estate

The pension funds of [...] tricity supply industri[...] bought the 10,600-acre [...] Estates in Wales. The p[...] not disclosed but is un[...] to be about £4m.



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HOME NEWS

Boycott delays Cabinet decision on Tyne metro

BY IAN HARGREAVES AND ALAN PIKE

A CABINET-LEVEL decision on the future of the £176m. Tyneside metro scheme has been delayed because local rail drivers have refused to abandon their boycott of the project.

It had been expected that Mr. William Rodgers, Transport Secretary, would be putting a recommendation that the project should continue to a meeting of the relevant Cabinet committee to-day, but it is now understood that there is no possibility of his doing so until at least next week.

The rail drivers' decision has caused dismay on the Labour-controlled Tyne and Wear County Council, whose leader, Mr. Michael Campbell, yesterday made a personal plea for the intervention of Mr. Ray Buckton, general secretary of ASLEF, the drivers' union.

Mr. Buckton and his executive have agreed to forward to their Tyneside members a message from Mr. Len Murray, general secretary of the TUC, that normal working should be allowed to continue, but they have stopped short of issuing any instruction on their own behalf.

It is unlikely that the executive will reconsider the position before to-morrow, which is the next time it is to meet in full session, and yesterday members of the local ASLEF branch decided to continue blacking the project.

The Tyne and Wear Council yesterday made public the latest set of conditions from Mr. Rodgers since his surprise disclosure last month that the Government was considering cancelling the project.

The new conditions involve reservations about other capital projects undertaken by the authority up to 1981 and certain items of expenditure associated with the metro, such as car-parks.

Tyne and Wear believes it can answer these two points without difficulty, but it is unable to do much about the third point: that the scheme must have received the wholehearted blessing of all the unions involved.

The 31-mile "supertram" metro was sanctioned by the Conservative Government in 1972 and has been plagued by labour troubles and disputes of various interest groups since then. As a result, its possible opening date has been put back 18 months—to late 1979.

The main disputes were between British Rail, which owns and operates the existing commuter system, and the Tyne and Wear Passenger Transport Executive over who should control the metro, and between the bus and rail unions over who should operate it.

Mr. Rodger's October ultimatum was made in an attempt to end the rows between the parties, as well as to show himself concerned over rising public expenditure. He has succeeded, insofar as BR and the passenger transport executive have now settled their differences and all the unions except ASLEF have agreed to some form of compromise.

Mr. Rodgers has also insisted that the cost of the scheme is not allowed to exceed £181m. at November last year prices, and that if operating losses exceed £5m. a year, they will have to be paid for by higher rates.

Tyne and Wear has met him on these points and has put pressure on ASLEF by stating that if the metro is cancelled, it will withdraw its £2.8m.-a-year subsidy to the rail service and thus jeopardise the ASLEF men's livelihoods.

The authority adds that no one will lose his job because of the new scheme.

The superficial costs of cancellation — £75m. in work already done and making tunnels safe and almost 2,000 jobs —make it virtually impossible for Mr. Rodgers to withdraw the Government's 75 per cent. contribution to the cost of the metro.

It is believed in any case that he likes the scheme, leading to the conclusion that he is mainly intent on applying discipline to a project which at one time threatened to evaporate.

The railway industry is also extremely anxious that the scheme should survive.

It is often pointed out by industrialists that British companies would not have won recent contracts worth of £100m. for work on the new Hong Kong underground network if they had not had the shop-window of Tyneside and its testing tracks to support their bids.

The main companies involved on Tyneside are GEC, Brush, Westinghouse and John Mowlem.

Local income tax plan attacked

BY DONALD MACLEAN

LOCAL income tax was dismissed yesterday as an alternative to the rating system of raising local authority revenue by Sir Harry Page, the former city treasurer of Manchester.

"What people really want," he said in Manchester, "is the abolition of the rate," with nothing to replace it," although they wanted better services.

If a local income tax was introduced, it would probably be confined to personal incomes, he said.

His opinion conflicts with the view taken by the Layfield committee on local government finance, which considered a local income tax as a possible supplement to rates.

In a wide-ranging review of local government, Sir Harry called for a further reorganisation of local authorities—to concentrate them into fewer but more powerful units. The 1974 reorganisation, he claimed, did not go far enough.

"However much time and thought may have been wasted in the last 30 years over the problem of local government areas, nobody can claim that the present system is the result of careful analysis and consultation."

In the absence of further reforms, the importance of local authorities as decision-takers would continue to decline.

Sir Harry envisaged nine all-purpose regions in Scotland, and 40 to 50 all-purpose counties in the non-metropolitan areas of England and Wales. There should also be a system of all-purpose government in the six metropolitan counties rather than as at present on the 37 metropolitan districts.

Post Office abandons telecommunications dispersal plan

FINANCIAL TIMES REPORTER

THE Post Office has abandoned proposals to move its 7,000-job telecommunication headquarters from London.

The decision to drop the dispersal programme, which had been discussed in detail with the Post Office unions, was taken because of the economic climate, the Post Office said last night.

Three North-East new towns of Aycliffe, Peterlee and Washington, had been considered by the Post Office for the headquarters along with Northampton, Cardiff, telecommunications headquarters borough.

Small self-contained units within the headquarters may still be dispersed, however, although they might not be located in the five areas considered for dispersal over the last three years.

The Post Office said a major factor was a substantial fall in London property prices which would have prevented the realisation of the savings the dispersal was originally intended to produce.

The decision brought an immedite response last night from Mr. Jack Dormand, secretary of the northern group of Labour MPs who have been campaigning to bring the jobs to the north-east.

He said the decision was unacceptable. He would take up the matter with Ministers at the Department of Industry.

A spokesman for Aycliffe and Peterlee Development Corporation said: "We don't accept the decision. The battle has only just started."

Shipyards keep shar of world market

By John Wyles, Shipping Correspondent

BRITAIN'S MERCHANT building industry is con to maintain its traditiona of the world market vastly increased inter competition because scarcity of new orders.

Figures published to- Lloyd's Register of S reveal that orders for gross tons of shipping ha ordered worldwide in t nine months of this year. the same period, the Bri dustry captured orde 307,900 gross tons or 3 cent. of the world total.

Over the past few British shipbuilding out averaged between 3 and cent. of the world total an the industry will be relie it is still holding its usu of business. To-day's fig dicate that its future is p as gloomy as most pessim forecast.

Capacity

This is because the wo intake of new orders th looks unlikely to excee gross tons and could be s next year. On traditional share this points to a to order book for Britain t and next of 400-450,000 gr is about 35 per cent. of t needed to maintain prese city.

The obvious implicati the 52,000 jobs in mercha building have been spel by Mr. Danny McGarve dent of the Boilermaker gamation. Writing in his magazine, Mr. McGarve that certain yards need w mediately if redundancie early date and on a serio are to be avoided.

Commenting on their figures, Lloyd's point out world order book is at it level since March 1970. the world's number-on builder, has, at 20.3m. smallest order total sin tember 1969. Britain, wi grt. has still the fourth order book.

Lloyd's Register of S Merchant Shipbuilding for the Third Quarter, 19

Treasury delays forecasts

By Peter Riddell, Economics Correspondent

THE TREASURY will publish details of some of its economic forecasts before the end of this year, Mr. Denis Healey, the Chancellor of the Exchequer, has announced in a Commons written answer.

This statement, however, raises the possibility of a conflict with the terms of the Industry Act 1975. This Act requires the Treasury to publish forecasts on the economy not less than twice a year, starting with a "date not later than one year from the coming into force" of the Act.

It was generally believed that this date was the end of this week, on November 20, and there has been close interest to see the details of the forecasts, in view of the current discussions with the IMF and the likely economic package early next month.

The Treasury claims, however, that the relevant schedule of the Act is not completely clear on timing and that its intention to publish before the end of the year is in line with the general spirit of the Act.

This is likely to be a controversial view, since this is not what the schedule had been generally thought to mean.

The official Treasury view is that uncertainties about underlying assumptions raise doubts over the usefulness of publishing the forecasts at present, since the projections might be neither internally consistent nor realistic. It is not yet apparent how much will eventually be disclosed or whether any indication will be given of future price projections.

The requirement to publish forecasts, as well as to make available to the public the Treasury computer model forecasting the economy, was inserted into the Industry Act through a backbench amendment proposed by Dr. Jeremy Bray, the Labour MP for Motherwell.

Government refuses to back speculative oil rig project

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT yesterday rejected a proposal that it should finance the speculative building of a £9m. drilling rig to save 1,400 jobs at Marathon Shipbuilding, Clydebank.

The yard is now building the last jack-up rig in its order book for the National Drilling Company of Abu Dhabi and it is due to be completed in about three weeks.

Redundancies could start soon afterwards if no further order has been received by then. Nearly half the workforce is already receiving temporary employment subsidy. The yard is doing some steelwork on sub-contracts, but these would keep only about 100 men occupied.

There is also the possibility of a joint tender with the ship-repair firm Alexander Stephen—itself in difficulties—to rebuild a ship for British Nuclear Fuels to transport nuclear waste from Japan.

But if the order is won, it will not be a big project and could still come too late to avoid lay-offs.

Mr. David Fullerton, industrial relations manager, said: "We are waiting as long as possible in the hope that something turns up. We have several negotiations in progress."

Precedent

The suggestion that the Government should pay for a rig came from the Scottish TUC at a meeting with Mr. Gerald Kaufman, Minister of State at the Department of Industry. He told the TUC that no application had been received from the company, but in any case the Government would be extremely reluctant to set a precedent by agreeing to finance speculative building.

The Government has taken a similar line to a suggestion that it should back the building of a £30m. drill ship at Scott-Lithgow on the Lower Clyde.

The Marathon yard is of particular concern to shipbuilding unions in Scotland, since it has already suffered two successive closures in recent years with the collapse of John Brown's shipyard and then the ill-fated Upper mittee of British Shipbuilders

But Mr. Kaufman was able to reassure the Scottish TUC that reports that the organising committee had drawn up plans for the closure of some Scottish yards were entirely untrue.

He also reaffirmed the Government's commitment to an integrated steelworks at Hunterston, but added that it was part of the British Steel Corporation's next development plan, which would not begin until 1982.

No early solution to telephone cuts row

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE ROW over Post Office plans to cut its telephone exchange investment programme by £226m. is unlikely to be resolved completely before Christmas.

This emerged yesterday as the telecommunications industry took stock of Monday night's meeting with Mr. Eric Varley, the Industry Secretary, top Post Office officials and trade union representatives.

Some Post Office suppliers now estimate that the cuts could cost twice as many jobs as the Post Office itself suggested. The Post Office's figure was 10,000 by late 1979, starting in 1978. Its suppliers and the unions countered with claims that 15,000 jobs could be lost, starting within months and lasting until late 1978, but this figure has now risen to 20,000 by 1980.

These would be in addition to the 4,000 or so still in the pipeline after the last round of Post Office order cuts a year ago.

One of the reasons for uncertainty over the figures is that a large proportion of the totals represents jobs which would in any case have been lost by the very early 1980s under the Post Office's original ordering programme, as orders for traditional electro-mechanical switching equipment were run down in favour of more modern (and less labour-intensive) electronic designs.

Pressure

Another factor behind the counter-claims is that it will be several weeks before it is clear whether the Goverment will bow to pressure from the suppliers and their unions for the Post Office cuts to be moderated, or stretched over a longer period than the planned three years.

The next big step in the dispute is expected to be a meeting within a fortnight between the Post Office and the suppliers' management and unions, at which the Post Office will explain in more detail its new computerised system of matching equipment requirements to traffic flows.

The Industry Secretary will then reconvene Monday's meeting between all the parties concerned. Even if the cuts were then confirmed, it would take several weeks for Post Office suppliers to complete the process of receiving full order details from the Post Office for each type of equipment, and then decide how to reorganise their manufacturing operations in response.

Delay law on company reports say accountants

By Michael Lafferty

IT WOULD be premature for the Government to attempt to bring in new legislation extending the scope and aims of company reports, according to the Consultative Committee of Accountancy Bodies.

Pointing out that the Government's discusion paper, Aims and Scope of Company Reports, was extensively based on the accountancy profession's suggestion's in The Corporate Report, the accountants now say it would be "precipitate and hazardous" to bring in legislation before there had been adequate time for discussion.

Some of the Government proposals could more appropriately be implemented by means of accounting standards rather than by law.

However, the accountants would welcome early legislation requiring companies to include a funds flow statement in their annual accounts, together with particulars of short-term debt and information on pension funds.

The profession's Accounting *Standards Committee is* considering the accounting treatment of pension costs, leasing and hire purchase transactions.

Letter charges frozen until end of March

BY KEVIN DONE, INDUSTRIAL STAFF

POSTAL CHARGES for first and second class letters will not change before the end of March, Sir William Ryland, the chairman of the Post Office, said yesterday.

The charges were originally frozen until the end of December. The Post Office decision means basic letter rates—which account for 90 per cent. of all mail—will remain constant for 18 months.

Greatly increased profits have been predicted for the Post Office this year, following *huge rises in telecommunications* and postal charges in 1975. The Post Office has already promised to freeze telephone charges until the end of July at least.

The telecommunications sector of the Post Office is expected to boost last year's profit of £154.7m. to about £370m. this year. The postal side is expected to break even at least, after a loss of £9.2m. last year.

The Post Office denied last night that a decision had been taken to restore Sunday mail collections next May, when the current 12-month experimental period ends.

The Post Office says a saving of about £8m. has been made by stopping Sunday collections. But it is coming under increasing pressure from the Post Office Users' National Council to reverse its decision.

Scottish Da News sit-in stopped

THE LIQUIDATOR Scottish Daily News ha the year-long sit-in at Street, Glasgow by re members of Britain's operative newspaper. T ful of workers still seek with the possible la another paper from the found the doors lo security staff.

An auction of the plant and equipment is

If the auction goes a could end the plans of Mr Maxwell, the publisher, a new Strathclyde evenin paper from Albion Street petition with Sir Hugh Evening Times.

Mr. Alister Blyth, leader of the Scottish News workers, protested move. He said it wo benefit the co-operative's tors mainly the Govern Beaverbrook Newspaper are owed a total of £1.42

Mr. Blyth is asking the tor, Mr. James Whitt Glasgow chartered accoun auction the building and together so it can still b for newspaper production.

Construction problems hit Cormorant field development

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL AND Esso face significant delays in the development of their Cormorant oil field as a result of construction problems with the production platform.

It is thought unlikely that the platform will be installed until April or May, 1978, instead of the scheduled date of August/September next year. There is a danger also that the delay could delay the development of the group's major Brent Field which has just started to produce commercial oil.

*The Cormorant delay is attri*buted to unspecified construction problems and design changes. The platform builder, McAlpine's Ardyne Point yard, has been asked to modify the original design.

In an attempt to make up lost time Shell, as operator, is considering a plan which would involve work being carried out in Norway. It is possible that two platforms under construction for Shell/Esso at Ardyne Point—the Cormorant and Brent "C" structures—will be towed to Stord in Norway for the installation of the deck structures.

Alternatively, the group could tow the basic platforms to Raasay in west Scotland, although the water depth there is insufficient to allow all the deck work to be accomplished. They would have to be completed on the field, a costly and risky operation.

There may be political objections to the Norwegian plan. Although the construction contracts would not be affected, some of the installation work would be lost to U.K. labour force.

The delays could seriously affect production from the Brent group of fields: an important factor in Britain's achievement of energy self-sufficiency by 1980. Brent, the biggest field in the North Sea costing £2bn. to develop, was due to start pumping oil through a pipeline to the Shetland Islands late next summer. But the pipeline system needs the compression facilities situated on the Cormorant platform.

Consequently, Shell and Esso are expected to continue loading oil from Brent into tankers until 1978. They do not see this as seriously restricting output during the initial phase of production. The offshore loading system can feed oil into one of two 70,000-ton tankers at a maximum rate of 5,000 tons an hour.

Whether Shell and Esso will be allowed to sell or refine all the oil produced from Brent and other fields is one of the issues being discussed with the Government. Both companies have objected to State participation proposals which would necessitate them giving British National Oil Corporation the option to buy 51 per cent. of their crude.

Mr. Clifford Garvin, chairman of Esso's parent, Exxon, is expected to see Mr. Anthony Wedgwood Benn, Energy Secretary, for more talks later this week. They met on Monday when, it is understood, Mr. Garvin stressed the importance of North Sea production to the company's operations.

Appeal over Skytrain due to-day

By Michael Donne, Aerospace Correspondent

THE Government appeal against last summer's High Court decision upholding Laker Airways' right to run low-fare Skytrain services across the North Atlantic is due to begin to-day.

The appeal is of vital significance for the Government's entire civil aviation policy. It is being brought by the Department of Trade against the ruling by Mr. Justice Mocatta that Mr. Peter Shore, when Trade Secretary, acted beyond his powers in withdrawing the designation originally given to Laker to operate the Skytrain between Stansted and New York.

That ruling came after a long legal battle in which Mr. Freddie Laker, chairman of Laker Airways, argued that having once been granted designation as a U.K. low-fare scheduled airline on the North Atlantic, he was entitled to operate a service.

Mr. Shore, in his White Paper on civil aviation policy issued earlier this year, had argued that under a new spheres of interest plan to be introduced by the Government, especially on the North Atlantic, there was no room for Laker Airwayys and that accordingly the Skytrain licence was being withdrawn.

Mr. Justic Mocatta, by rejecting Mr. Shore's argument and upholding Laker Airways, effectively called into question the legal basis of the Government's entire civil aviation policy, including not only the Skytrain plan but also the new spheres of influence plan as well.

For this reason, the Trade Department effectively has been obliged to appeal against the decision in order to re-establish its right to apply its new civil aviation policy in whatever manner it sees fit.

Minister's warning on misleading signs

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

UNLESS PETROL stations stop using misleading signs to tempt customers on to their forecourts the Government will take steps to deal with the problem, Mr. John Fraser, Minister for Prices and Consumer Protection, said yesterday.

He would not be doing his job properly, he declared, if he relied merely on a public boycott of garages which used vague signs like "8p off."

If the garages did not voluntarily improve their terms of trading the Government had an obligation to legislate for "clear and unambiguous price display."

Three months ago the Office of Fair Trading finally secured an agreement with the various associations representing the petrol trade that garages would no longer use vague signs like "6p off" an unspecified price when they were purporting to cut the price of petrol.

Mr. Fraser said yesterday that a substantial number of garages had fallen in with "not just the letter but the spirit of the agreement." These petrol stations deserved the patronage of the public at the expense of those garages where it was impossible to know the price until the deductions had been worked out on the forecourt.

The public was "thoroughly cheesed off with the huckster gimmicks" being used to tempt motorists into some petrol filling stations. A significant minority of garages seemed to subscribe to the theory that the motorist on the road wanted to see a mass of large and small information telling him everything except the price which he was actually going to pay.

Signs such as "7p off" an unspecified price might not be illegal, but they were misleading and frustrating and were certainly contrary to the agreement reached with the Office of Fair Trading.

Road deaths up by 2 per cent.

ROAD deaths in the three months from July to September showed a 2 per cent. increase on the same period last year, provisional Transport Department figures show.

In that period this year 1,630 people were killed. Serious casualties rose by 5 per cent. to 20,700 and the number slightly injured was 2 per cent. higher, at 65,600.

Overall, casualties in September this year totalled 28,700—2 per cent. up on the same month last year.

Slater hearing put back

THE HEARING of summonses against Mr. Jim Slater, former chairman of Slater Walker Securities, at the Mansion House Court for alleged breaches of the Companies Act 1948 has been deferred for 10 days until December 3 on an application made several days ago by Mr. Slater's counsel.

Mr. Slater faces 15 summonses under Section 54 of the Companies Act, which prohibits the provision of finance by companies for purchase of their own shares. The summonses involve loans of £6.5m.

Travel closure

James Vance Travel, the up-market villa, long-haul and ski-tour operator, ceased trading yesterday. Few of its holiday-makers are abroad. It is estimated only 20 customers will be directly affected. Three companies with similar trading names are not affected: they are James Vance Travel (West End); James Vance (Gillingham); and James Vance (Maidstone).

More steel cash

The European Commission has approved two loans totalling £10m. for the British Steel Corporation, bringing the total approved for the corporation by the commission since the U.K. joined the EEC to £400m.

● NEWS ANALYSIS—SHIP REPAIRING

Stick to beat Government

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE ROW IN the Lords over whether 12 shiprepairing companies should be excluded from the aerospace and shipbuilding nationalisation Bill has presented the Government with a political problem somewhat out of proportion to the importance of the companies involved.

Unlike shipbuilding, where the Government has been able to argue a plausible case for centralising ownership and control, the earmarking of just 12 out of more than 90 ship repairing companies for nationalisation has always seemed somewhat irrelevant.

More so, when it is considered that three of the 12 companies—Brigham and Cowan, Merantile Dry Dock, and Middle Docks and Engineering—are part of North East Coast Shiprepairers which fell into State ownership with the collapse of Court Line.

If the Government is forced to accept that shiprepairing must go, despite a Government majority of one on the issue in the Commons last week, these three companies will remain state-owned and will almost inevitably find their way back into British Shipbuilders—the corporation which will be running the shipbuilding industry.

One of the reasons, however why Ministers could find the exclusion of shiprepairing difficult to swallow is the fact that their defeat will be Mr. Christopher Bailey's victory. Mr. Bailey chairman of Bristol Channel Shiprepairers, has strained every nerve to retain control of his company for nearly two years now and has very successfully projected himself as the bearded buccaneer battling against a State grab.

In the proces he has become something of a *bête noire* to the Labour Party. Part of his business is located in Mr. Callaghan's Cardiff South-East constituency for, which, standing as an Independent Liberal, he fought the Prime Minister in the General Elections of February and October, 1974.

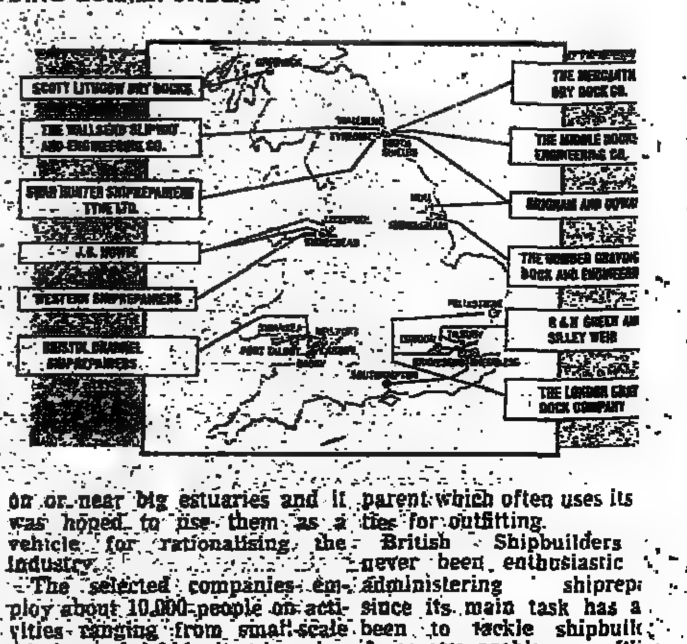
He says he was motivated more by a desire to protest at the proposed closure of the East Moors steelworks than by the shiprepairing issue.

However, he has helped ensure that shiprepairing has become the chosen stick with which to beat the Government. His argument, together with the Shipbuliders and Repa'rers National Association, has been that shiprepairing is a radically different industry from shipbuild'ng, requiring different managerial skills and a much more rapid response to customer requirements.

The frequently overworked simile is that shiprepairing stands to shipbuilding as the garage repair trade stands to motor-manufacturing—not dissimilar skills, but very different activities.

In reply, the Government has argued that the two activities are frequently pursued side by side within the same company and that shiprepairing's underlying problems of steady decline through poor productivity in relation to Continental competitors, labour relations and investment could best be cured by the Government's approach.

This has been based on nationalising the 12 largest companies, all with a turnover in excess of £18m. All are based



on or near big estuaries and it was hoped to use them as a vehicle for rationalising the industry.

The selected companies employ about 10,000 people on activities ranging from small-scale repairs and jobbing engineering to major multi-million pound ship conversions. Their profitability as a group is believed to be mediocre—accurate figures are difficult to establish because of their subsidiary status.

R. and H. Green and Silley Weir are owned by P and O, JB Howie and Western Shiprepairers by the Laird Group, Swan Hunter Shiprepairers and the Wallsend Slipway by Swan Hunter, the Humber Graving Dock by Richardson, Westgarth and Scott Lithgow Dry Docks by Scott Lithgow.

This last company could well find its way into state ownership of its own volition since it is one of the few that is ... connected with its shipbuilding parent which often uses its ties for outfitting.

British Shipbuilders never been enthusiastic administering shiprep since its main task has a been to tackle shipbuil desperate problems. Wi the 12 companies shiprep will be very much an incid activity for the new Corpor which will find the repair intermittently carried ou some of its shipbuilding panies much more easy to with managerially than group nominated by the Co

Curiously, there is still specialised repair com which looks like being s into British Shipbuilders, u the Lords decide otherwise. is located at Southampton D and Northam and belongs Vesper Thorneycroft, the shipbuilders, which may wel kicking itself by this evening not having hived the activity into a separate company.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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SECURITY

Records the face of the thief

NATIONAL PANASONIC has *developed what could prove to* be a major deterrent to criminals — a slow-speed video tape recorder called the *Time Lapse*.

It makes a visual record of activity in a bank, shop, museum, warehouse, computer room, research laboratory—or any other premises where the owners fear the unwelcome attention of thieves. And it can capture up *to 122 hours—longer than the* longest holiday week-end—on a single 7-inch reel of video tape.

Available from the end of November through National Panasonic's network, it should *arouse interest — apart from* crime detection in schools and universities for the study of plants and animals, and *for pic*torially recording laboratory experiments.

In industry, one among many potential applications is analysis of lengthy machinery operations —particularly where the machine is partly or entirely unmanned.

An important characteristic of *the new* recorder is that it can be linked into, and activated by, an alarm system. The moment an *intruder* trips an alarm circuit (or, perhaps, the moment that an animal or bird under study *leaves* its burrow or nest), the recorder automatically accelerates tape speed so that maximum picture clarity is achieved.

When security or research staff rewind the tape, a red light flashes on to indicate the precise section of tape recorded when the alarm was triggered. At the same time, the monitor TV *picture*—usually filled with *scan* lines during high-speed rewind —clears and goes blank to give *a further visual indication that* an abnormal activity has been captured at that point in the tape.

At the heart of the time lapse is a direct drive motor that ensures highly stable, accurate rotation of the recording heads. Such motors were first developed *by National Panasonic's parent* company, Matsushita Electric, for hi-fi equipment. The motor is incorporated into the final component (turntable platter, cassette deck capstan), eliminating belts and thus a major cause of vibration and inaccuracy.

With the new unit a direct drive motor is offered in a video recorder for the first time: the main user benefits will be longer life and far less wear on the recording head mechanism, less maintenance, and less power consumption.

National Panasonic (U.K.), 107 *Whitby Road*, Slough, Berks SL1 3DR. Slough 34522.

● MACHINE TOOLS

Automatic fettler for blocks

GRINDING EQUIPMENT for *automatically fettling* cylinder blocks for diesel or petrol engines on one or two pairs of *parallel faces has been developed* by F. E. Rowland and Company, Station Road, Reddish, nr. Stockpor SK5 6NF (061-432 3201), the machine tool division of the Carborundum Company.

Rowland says that in the past British manufacturers have had *to import this type of machine* from either America or Germany, and claims to be the only machine tool maker in the U.K. able to offer this specialised high output equipment.

Two of the machines have been ordered by British Leyland for installation in tandem at the BLMC foundry at Longbridge *where they will fettle all four* major faces of the "O" series engine block.

The machine operates on the through-feed principle, fettling *two opposed faces at the same* time, at a maximum output of 200 blocks per hour

The blocks are loaded by electrical hoists on to a continuously moving conveyor equipped with jig points on interchangeable platens. As the blocks approach the grinding area they are automatically located by side guides and clamped by special cam *bars. In the event of a complete* misload, safety gates trip out the feed. Other safety features *include* trip out of the grinding beads, etc.

After passing through the grinding area, which is supplied with dust extraction manifolds and swarf conveyors, the blocks are automatically lifted off the platens by cam strips and ejected on to a roller runway to go to the second machining station.

Rowlands says it can supply machines to order which are equipped with special turn *round stations enabling the* blocks to be finished in one loading.

Other machines in the same range include machines equipped with oscillating fixtures, grinding four faces of larger engine blocks in a totally enclosed cabinet.

Coils big springs safely

SAFE, ACCURATE and consistent production of springs are said to result from use of the Maxicoil Two spring-coiling lathe from Bennett Tools, a TI machine division company of Redditch.

Capable of coiling stock up to 16 mm diameter into *springs* up to 203 mm diameter, the machine is remote controlled, *and suitable for operation by un*skilled labour.

It follows the Maxicoil One, a smaller machine developed four years ago to overcome problems associated with a traditionally dangerous operation in which ordinary geared lathes were used and flying wires were likely to injure operators. The company says that production rates *up to five times that of tradi*tional lathes can now be achieved.

It is stated to be ideal for small order production—up to 500 off—of compression, extension and torsion springs. Automatic pitch control, through a pneumatically-operated pitch tool, permits right or left-hand parallel springs production. No lead screws are required.

Automatic functions are control of pitch and of total coils; chuck resetting, ready for next spring; and carriage braking *before coiling*. The machine has an adjustable control for initial tension.

The Maxicoil Two can produce springs from 4.7 to 20 mm diameter in annealed wire. Using hard wire the upper limit is 16 mm diameter. Completed spring diameters can be up to 203 mm and maximum lengths of 1,700 mm without recoil can *be produced*.

Optional equipment includes a 16 mm capacity pneumatic cutter with a support arm and spring balance to suspend it.

More from TI on 0203 75521.

Fast output silencer seamer

MOON BROTHERS has developed an engine exhaust silencer seaming machine which is claimed to offer faster output than conventional vertical machines. Production rates are *stated to be up to 450 hour*, depending on the size and shape.

Designated the model UZ horizontal, it incorporates a walking beam feed for ease of automatic feeding and ejection. Designed for quick changeover of tooling, it is intended for silencers with a diameter or diagonal between 75 and 305 mm and up to 1020 mm seam length. Material thicknesses up to 2mm (ends) and 1.5mm (bodies) can be handled.

Seaming is by two rollers at each end. For a flat seam the rollers *perform a first and second* operation; for a roll seam they combine into one operation, giv*ing a quicker cycle time*.

The rollers follow the silencer profile *by means of* rollers running in a cam track integral with the chuck. The chucks *and* silencer rotate, and the seaming rollers are moved closer to the chuck by pressure *applied* pneumatically/hydraulically.

At the end of the *seaming* cycle, the motor is braked to a creep and stopped in the correct *position electro-mechanically*. The silencer is stripped off the chucks and positioned on the *walking beam ejector cradle* by ejector rods. These incorporate detecting devices which stop the cycle if no end stamping is present.

Details from the maker at Beaufort Road, Birkenhead (051-652 1527).

● ELECTRONICS

Memories by Signetics

TWO NEW bipolar 8192-bit read only memories organised as 1024 words by 8 bits per word are available *from* the Signetics IC marketing group of Mullard.

Commercial versions of the new memories have an address access time of typically 50 nanoseconds with a maximum value of 100 nanoseconds.

Four fast access 4096-bit bipolar memories are also announced. Types 82S136 and 82S137 *are organised as 1024* words by 4 bits per word: the 82S140 and 82S141 have a 512 by 8 *organisation*.

The memories are field programmable, and are initially supplied with all outputs at logic "0." By fusing the Ni-Cr matrix, the outputs can be programmed to logic "1" level at any specified address.

More from Mullard on 01-580 6633.

New source for micros

MANUFACTURE and marketing of the Motorola 6800 micro*processors* is to be carried out by Fairchild Camera and Instrument Corporation under the terms of an agreement between the two companies.

The move is viewed by Fairchild as broadening its micro capabilities and opening up the market for higher complexity operations such as in data processing. Fairchild's own eight-bit F8 *has sold well in the low-cost*, high volume segment and the [6800] will help the company meet applications that require machines needing larger amounts of memory.

*Under the terms of the agree*ment, Motorola is providing the masks and other technical assistance to ensure full product compatibility.

In London, Fairchild has stated that it will announce its support programme for the 6800, including *the development of* equipment and of software, in the first quarter next year when Fairchild-produced samples will become available.

This development is an interesting parallel to the announcement earlier this year that National Semiconductor was second-sourcing the Intel 8080, apparently without the latter's assistance however.

It means the position of the *eight-bit micro for computing* work will be still more strongly established and the grip of the large U.S. component makers on the total micro market will be tightened.

Fairchild Semiconductor, Kingmaker House, New Barnet, Herts., 01-440 7311.

● PROCESSES

Diesel site welding sets

MANUAL arc welding sets, diesel engined, and designed for on-site construction work, as well as fabrication, maintenance and repair welding, have been introduced by Rowen-Arc, Apex Road, Brownhills, Walsall, West Midlands (05433 4501), a Rubery Owen company.

Diesomatic series, has three models with capacities ranging from 200 to 440 A. Any model can be supplied in a choice of *mountings*: on skids for stationary use; two or four-wheel running gear for site mobility, or *two-wheel road trailers*.

Stepless current adjustment can be effected during welding, and, on the larger *models*, an independent adjustment of open circuit voltage can be made.

Options for *the heavy duty* models include an auxiliary generator to power hand-tools or provide site illumination, automatic engine shut down for oil pressure loss or excess water temperature, oil cooler for tropical use, a fully enclosed canopy, and an acoustic enclosure.

Ladles relined by two men

AT THE Ravenscraig steel works of the British Steel Corporation a ladle lining plant is to be installed which will be capable of relining 12 feet dia*meter by 12 feet* deep ladles in only 45 minutes.

The plant, to be operated by *two men, will form a monolithic* refractory wall in the 135-ton capacity ladles, replacing the old *time-consuming and labour in*tensive bricklaying method.

The £250,000 order has been placed with Foundry Plant and Machinery, the Glasgow based manufacturing arm of Tate and Lyle Engineering. The company will design, install and commission the plant over a 12-15 month period. Work has commenced and the plant should be installed by the end of next year.

Preparation plant mulls the refractory material to the desired moisture level, stores it, and feeds it to the ladle lining slinger. The slinger is mounted on top of a one-piece *former*, which can be expanded or contracted hydraulically within the ladle to give a uniform space between it and the ladle wall.

Designed to deal with oval and irregularly shaped ladles, the slinger rotates on the central *axis of the former*, and slings refractory material into the space between the former and the ladle wall.

Details of this and other foundry equipment can be obtained from the company on 041-329 5441.

● AUTOMATION

Logger is simply used

FOLLOWING A £60,000 development program half funded by NRDC, Microdata has launched the M1600L data logger to sell in the £2,500 and upwards price range.

It makes use of the new 3M DC300A data tape cartridge and is available as an enclosed unit for field use and as a laboratory model; both use gel lead-acid batteries, float charged from the mains in the latter case. Quiescent consumption of the un*attended instrument is only* ¼mA and dependent on duty it can be operated for up to three months.

The company has tried to ensure that almost any kind of transducer or input can be connected to the logger and claims to be able to supply any input board channel accordingly. The unexpanded recorder can accommodate up to 20 channel boards *and additional 10-board units* can be added up to a total of 100.

Interval between successive *scans of the inputs is set* by thumb-wheel switches from 20 milliseconds to 99 minutes while the rate of scan within the sequence is determined by internal control circuits: analogue inputs are *sampled* for 15 milliseconds, digital for 100 microseconds.

Source of constant volt units

NORMALLY a producer of constant voltage transformers only to special order, Gresham Lion has now announced a standard range.

Eight models are available with outputs from 25 to 500 volt-amperes. This GVS series will accept inputs from 190 to 260 volts and provide an output of 240 V ±1.0 per cent. A 1 per cent. change of frequency from the nominal 50 Hz causes about 1.5 per cent. change in output voltage.

Load regulation is about 2 per cent. while the efficiency is typically 80 per cent. at full load. Operating temperature *range is* −10 to +50 deg C and the largest case size is 297 x 150 x 160mm. More from Gresham House, Twickenham Road, Feltham, Middlesex TW13 6HA (01-894 5511).

Four bit micro kit

ALTHOUGH some 80 per cent. of microcomputers are now thought to be implemented in eight or 16 bit structures, applications *requiring* binary coded decimal operation such as electronic cash registers and elec*tronic scales*, POS terminals etc. are, states Intel, well suited to four bit working and accordingly the company has introduced a kit of seven integrated circuits in the 4040 family.

Several of the chips have been designed to make interfacing in the above applications particularly straightforward. Up to eight kilobytes of external *memory can be used*.

The kit, MCS-40 System B, is available at £48 from the three Intel distributors: Rapid Recall, GEC Semiconductors and Jermyn Distribution.

● COMPUTING

Jargon cut out of releases

COLLECTION, analysis and updating of the mass of information which is being put out by manufacturers of computer hardware of all kinds is an expensive, time-consuming and difficult job. A service from the National Computing Centre—NCC Computer Hardware Record — is intended to provide a solution to this problem for computer management.

NCC has sought to lay down a methodology in its approach to successive releases from given manufacturers so that changes in hardware specifications can be seen at a glance. This means that a user does not need an *extensive filing* system and can select new equipment without being surrounded by a mass of paper. *Whether or not it avoids* the need for a series of interviews with would-be suppliers as NCC appears to think it should is entirely a matter for the would-be buyer, who will also decide himself how to go about feasibility studies.

But there can be no question as to the amount of new information coming out all the time and *particularly* from across the Atlantic on products, many of which were developed as a reaction to the depression in U.S. data processing business in 1974-75.

Any service which strips all these reports of the superlatives and details the actual changes/ advances should be worth its weight in gold.

There are *twelve categories of* products surveyed and abstracts from each will be sent out *monthly, with 50 to 100 expected* in each category.

Main section of each abstract gives the specification of the various products announced. There is also a section under "comments" which will explain any facet of the equipment which cannot go into specification summaries.

Further information on this *service from NCC on 061 228 6333.*

● WELDING

Battery powered MIG set

A BATTERY powered carbon *dioxide metal/inert gas (MIG)* welding set has been developed by a Dutch company.

Power for the wire feed unit is supplied by a 24 volt battery *which must have a capacity of* 200 A/hr. The maker says this enables the user to carry out intermittent *welding work for* over an hour with between 80 and 100 A, and for short periods with even higher power.

The set is marketed in two versions, as a mobile unit complete with wire feed and gas bottle holder, and as a separate wire feed for connection to a fixed battery.

Both models are suitable for carbon dioxide 0.6 and 0.8mm diameter electrodes, and either a mixed gas or carbon dioxide can *be used for shielding*.

Suggested applications are in service vehicles where no mains connection *is available, or for* low-cost welding work on very thin vehicle body panels. The equipment is supplied with a lightweight welding torch, but excluding the battery.

Details from Koop B.V., Amsterdamsestraatweg 19, Naarden, Holland.

● INSTRUMENTS

Automatic timekeeper

AN ATTENDANCE time recording system using central paper tape recording of data has been introduced by Blick National Systems. The tape can subsequently be used for data processing.

Called Arecodata the system consists of a number of terminals linked to a central punched tape unit with each employee having a time card at the bottom of which is punched a ten digit code for identification purposes. When inserted into a terminal the card is automatically fed into the recorder where the identification is recognised, checked, and the card stamped with the time while the same information is fed into the central unit. The card is then ejected for the employee to replace in the card rack.

Central unit has a crystal oscillator which transmits pulses every minute to each terminal and is fitted *with a supervisory* mechanism to ensure that all recorders register and print at the same time. The system can deal with non-standard information, fed in from an external keyboard. More from Blick House, Bramble Road, Swindon SN2 6ER (0793 35015).

● SERVICES

Radio data for remote situations

AIMED MAINLY at countries lacking a widespread land-line network is a data transmission system based on high frequency (HF) radio launched by Scicon of London.

Making use of programmable transmit/receive techniques based on the Data General MicroNova microprocessor, together *with* radio equipment made by Racal Communications, a network worth £7m. has been *ordered by an undisclosed Arab* country — believed to be Saudi Arabia — for use in a public service application. There will be some 25 remote locations sending and receiving data at up to 200 baud to and from a small number of central points.

Scicon claims that to date, no system has been commercially available that will allow computer data to be *sent accurately* on HF links over any distance. For the Saudi network, ranges of up to 2,000 kms. are involved.

Other applications might occur in developed countries (or between them) provided that allocations in the 3 to 30 MHz band *can be made; or in those organis*ations already operating at HF.

At the heart of each link is SPARQ (Scicon programmable automatic request for re-transmission), a microprocessor-based black box with a number of functions.

Compatible with CCITT V24 recommendations and able to handle ASCII-like eight bit character codes it will detect and correct errors and automatically ask for re-transmission if necessary. If it continues to see errors due to the low quality of the transmission path, it will ask the transmitter to slow down until the rate is acceptable— and if this fails, ARQ will be re-imposed. Under normal radio propagation conditions the throughput is greater than ten characters per second.

For the Middle East network the order placed by Scicon on Data General is for 56 MicroNova machines and is believed to be the largest placed so far by a U.K. systems house for micros. Scicon on 01-580 5599.

Largest software contract

COMPUTER Sciences Corporation (CSC) has received a subcontract from Western Union valued at about $9m. for its role on the team to develop a new data network for the Defence Communications Agency, according to Dr. A. E. Nashman, president of CSC's Systems Division. *Most of CSC's work on the pro*gramme will be performed within the next two years, he said.

Computer Sciences will support both Western Union, the prime contractor, and Aeronutronic-Ford in the $104m. Autodin II program for the Department of Defence.

Under its contract, probably *the largest in this field so far* CSC will provide Western Union with system engineering support that includes the complete design of the Washington D.C. network control centre. CSC will also provide software support to Aeronutronic-Ford, which will provide the packet switch nodes.

● RESEARCH

Analysis made easy

SPEARHEADING A Varian sales drive in the U.K. (a mobile exhibition is *about* to tour the country) is the AA 175 atomic absorption spectrophotometer, new to the British chemist.

Main attractions of the instrument are its ease of use and the emphasis that has been placed on safety of operation.

Fundamental principle remains unchanged: a beam of light of wavelength specific to the element to be detected is passed through a flame in which a small amount of the sample is atomised; light is absorbed at that wavelength according to the amount of relevant element present.

Control of the acetylene and nitrous oxide gases for flame *production* is safe: ignition, shutdown and changeover are automatic and determined by *electronic sensors*. The operator just touches a button and adjusts a rotary control to obtain the required flame conditions. A carbon rod atomiser can be installed instead of the flame unit, giving higher sensitivity and a much smaller sample requirement (under 20 microlitres).

All-reflective surfaces are used in the optical path for constant focus at all wavelengths, quartz-coated to prevent surface degradation and ensuring consistent performance throughout the life of the instrument.

Applications will be found in routine and many research measurements. *The instrument* will handle with equal facility industrial samples with high metal concentrations or environmental pollutants at extremely low levels.

Varian Associates, Manor Road, Walton-on-Thames, Surrey (Walton 43741).

● CONSTRUCTION

Blast hole drill rig

LABOUR NEWS

ʻeyland concern t car output

RTHUR SMITH, MIDLANDS CORRESPONDENT

RN is mounting within Leyland about low pro- in the cars group.
t, at present running at per cent. below planned is hampering sales at nd overseas.
tially more serious in the term, an improved ance is essential to gen- iance and justify further ent.
tion has been focused on stle Bromwich factory, ham, where a letter has ent to 7,500 workers ing improved output.
Castle Bromwich joint nent committee, the participation body on union and management esented, reports that the s already lost more than is year.
t has deteriorated to the here workers are being ed "to the tune of £10 ployee per month, a that cannot go on," the ee says.
he problem is by no means confined to Castle Bromwich, which supplies bodies for the Jaguar, Mini and new Rover.

Output on the assembly line for the new Rover, at Solihull, is well below the target of 600 a week. A second production line is only slowly coming on stream.

Production was last night still halted on the Land Rover where 540 workers have been laid off as the result of a dispute.

Output of the Jaguar at Brown's Lane, Coventry, will to-day resume for the first time since a wave of disputes disrupted production last week.

The National Enterprise Board, which monitors British Leyland performance, has made it clear that further investment must be linked to improvements in productivity.

Though weekly output varies from plant to plant, overall production is averaging little more than 16,000, compared with a target of about 20,000—a level far short of the 25,000 target hoped for next year.

ustmen occupy int council HQ

HRISTIAN TYLER, LABOUR STAFF

EN STAGED a peaceful on of offices in Belgrave London, yesterday, the rters of the local author- nal joint council.
ame from Canterbury in here about 400 workers en on official strike for s, to try and persuade negotiators of the joint to put pressure on the trolled Canterbury coun- dispute about bonuses ting methods.
50-plus demonstrators en the use of a commit- , and later were served tea in a hallway. They efully after talking to official of the joint coun- Local Authorities Con- of Service Advisory who urged them to seek on locally at the next talks in Canterbury on
council workers' anger voked by the refusal of ury council to abide by ngs of a provincial dis- mmittee, which on both s found for the unions d—the National Union ic Employees and the and Municipal Workers
rt Ryan, NUPE's area speaking outside the office yesterday warned dispute could spread to ounty Council workers nion members in neigh- authorities. Although kers were worried about s of earnings as Christmas approaches—though they are getting strike pay—support for the action was "solid."

A senior employers' official of the national joint council said a solution appeared to be in sight. The Advisory, Conciliation and Arbitration Service is mediating in the dispute.

The dispute began when Canterbury withdrew bonuses worth about £15 a week paid to dustment in Whitstable, as part of a move to harmonise payment and collection methods in several boroughs which came under Canterbury's control with the local government reorganisation of April, 1974.

Since then there have been two court actions as well as the disputes committee hearings. According to NUPE, Kent County Council has been sympathetic to the workers' case and refused Canterbury tipping rights needed because men at local tips were acting in sympathy. But on Friday the High Court gave Canterbury the right to use one Kent council tip.

In the course of the dispute, union officials said, six men had been sacked for misconduct and two arrested for picketing. The unions had also taken Canterbury to court for illegal dumping of rubbish, and won.

Canterbury has managed to keep some sort of rubbish collection running during the dispute by employing outside contractors.

nniston blames unions steel 'setback'

N HARGREAVES, INDUSTRIAL STAFF

tish Steel Corporation's in catching up with its onal competitors has back three years by pposition to modernisa- cording to Sir Monty , the corporation's hairman.
nty, never one to avoid eaking in his time as , returns to the fray in letter printed in the ue of the journal of the Steel Trades Confedera- e industry's biggest major item in Sir Monty's development strategy—a new steel plate mill at Redcar—says in a foreword that Sir Monty was invited to contribute to the journal last May.
ngly worded passage nion co-operation on ation schemes gives of the danger of ignor- ems and thereby allow- teel industry to decay.
eel unions "have seen happening in Japan and e. If after these exper- u feel able by delaying ation and modernisa- local reasons you are national service, then deceiving yourself and eagues.
ly, three years—out of oration's 10 years of —have been lost in de- t delays, three years n never be made up and s prevented narrowing efficiency gap between and our major com-
ll Sirs, general secre- STC, who is fighting a

"I do not intend continuing this dialogue with the ex-chairman on the controversial matters contained in this letter. They are more likely to be resolved in discussions with the new chairman."

Ballot could save Aintree Courtaulds

Workers at a Courtaulds factory earmarked for closure are being given the chance to vote for a stepping-up of output—and a possible saving of jobs.

Management proposals were put before the 450 production workers at the Furzebrook knitting mill at Aintree. They decided on a secret ballot—with a two-thirds majority required for acceptance. The answer is expected by Friday. If it is "yes" the plant and its 600 jobs could be reprieved.

The plant is due to close at the end of January, together with six other Courtaulds factories, under the company's rationalisation programme.

ion meeting at Ford t kangaroo court'

N branch meeting at agenham plant which ded the expulsion of a who took over a striker's not a "kangaroo the chairman said
rnie Passingham, chair- the Transport and Workers' Union branch ham, said the recom- n to expel 26-year-old der Mr. Paul Thorn- was made after a constituted branch e meeting."
ed that the decision to d Mr. Thornborough's was taken not just e took over the job of g door setter, but of his "general " and "anti-union

Mr. Passingham agreed that if the recommendation was approved by union head office, Mr. Thornborough could lose his job because of the closed shop being introduced at Fords.

Mr. Thornborough and a number of other workers took over the jobs of nine door setters who walked out last month. This action allowed the new Cortina line to continue. The door setters later returned to work.

Mr. Passingham insisted that it was not merely this action which prompted the expulsion recommendation. About seven or eight other men who had taken over the door setters jobs were also called before the committee on the same night and they were only warned. One other was also fined.

Unions urge voluntary planning agreement for British Shoe

BY OUR MIDLANDS CORRESPONDENT

OPPOSITION to the suggested break-up of the British Shoe Corporation retailing chain has come from unions in the industry.

Instead, they recommend that the corporation should be encouraged to enter into a voluntary planning agreement with the Government.

The unions, in a separate submission to the tripartite body set up by the Government to investigate the problems of the indusry, also suggest that a planning agreement should be pressed with the British United Shoe Machinery Company—supplier of much of the manufacturing equipment to the industry once the subject of an inquiry by the Monopolies Commission.

Controversy has centred on the role of British Shoe since a Government-sponsored study, undertaken by the Economists' advisory group of management consultants, recommended in June that the corporation should be referred to the Monopolies Commission and its chain of more than 1,800 retail outlets split into six separate units.

British Shoe, in a confidential but vigorous memorandum to the Department of Industry, has argued that the recommendations would put at risk the jobs of 4,000 people in its manufacturing division.

The footwear study steering group, representing unions, manufacturers, and Government, seems unlikely to make any specific recommendations about British Shoe when it draws up its final report next month for submission to the Department of Industry.

However, there is undoubted sympathy for the British Shoe warning about jobs from the trade union side of the study.

Unions which contributed views in a special submission to the steering group are the Association of Scientific, Technical and Management Staffs, the National Union of Footwear Leather and Allied Trades, and the Rossendale Union of Boot, Shoe and Slipper Operatives.

Mr. Bert Comerford, president of NUFLAT, said last night it was important for the manufacturing sector to establish a dialogue with footwear retailers and distributors.

If only a small percentage of additional orders were placed with the home industry, it would help prevent the loss of jobs caused by weak domestic demand and a rapid upsurge in imports, be maintained.

High Court adjourns miners' dispute

A ROW between sections of the mineworkers' union over recruitment of colliery officials came to the High Court in London yesterday. The Colliery Officials and Staffs Area (COSA) of the National Union of Mineworkers sought injunctions against the union and its Yorkshire area.

But at a five-minute private hearing before Mr. Justice Talbot the case was adjourned indefinitely. COSA's lawyers said afterwards that the case would last two days and, because of the pressure of court business, was unlikely to be heard before next February.

The dispute is principally between COSA—one of the constituent associations of the NUM representing foremen, supervisors and clerical staff—and the Yorkshire area, led by Mr. Arthur Scargill.

At its annual policymaking conference in July the NUM passed a resolution from Yorkshire under which newly appointed foremen and supervisors would be members of area associations—such as the Yorkshire NUM—rather than COSA, which at present draws its membership from all over the country.

A COSA spokesman said yesterday that if the resolution were implemented it could halve COSA's 19,000 membership and weaken its position in the NUM—notably on the national executive.

The Yorkshire area has given a written undertaking not to solicit existing COSA members pending the outcome of the case.

Protest could close schools

By Our Labour Staff

SOME LONDON schools could close to-day as a result of a protest by local authority workers against the proposed cuts in Government expenditure.

More than a dozen trade unions are supporting a demonstration outside the Commons, which is being organised by the National Union of Public Employees and the National and Local Government Officers Association.

The action does not have the support of the TUC, the Transport and General Workers' Union, and the General and Muncipal Workers Union because they see it as going against the spirit of the co-operation between the Government and the unions.

A warning that additional expenditure cuts would make the country's problems worse came last night from Mr. David Basnett, general secretary of the GMWU. Speaking in Chesterfield, he said that any additional cuts would lead to closures and redundancies in those parts of the private sector on which we depend for recovery.

Men on short-time want full £2.50 rise

BY ALAN PIKE, LABOUR STAFF

WIDELY DIFFERENT interpretations of whether hourly-paid employees completing less than a 40-hour week should receive the full £2.50 Phase Two minimum weekly increase are emerging as the annual pay round gets under way.

During Phase One most industrial workers were paid proportionately less than the £6 maximum if they were on short time or laid off for part of the week, and many employers expected this practice to survive into Phase Two. Unions, however, are tending to see the £2.50 much more firmly as a guaranteed minimum increase.

Motor industry unions scored something of a breakthrough last week when, after long negotiations, Ford management agreed to pay the full £2.50 to all workers who do not complete a full week, unless they are on strike or laid off because of internal disputes.

This success is likely to prompt the Confederation of Shipbuilding and Engineering Unions to maintain pressure on the Engineering Employers' Federation to instruct its members—Ford is not among them—to pay the £2.50 if only part of a week is worked. The Federation has told the unions that it does not accept this interpretation, and that employees should be paid *only in proportion to hours* actually worked.

Agreements recently concluded in some other industries do provide for workers on short time to receive less than the £2.50. In electrical contracting, for instance, it has been agreed that the £2.50 will be proportionately reduced if less than three days are worked in any week.

The issue contains an important principle as, traditionally, most industrial workers have been paid only for hours actually worked and employers are reluctant to depart from this. Unions, however, see this interpretation of the pay policy as discrimination between manual workers and white collar salaried staff.

Dock workers 'black' ferry

FIFTY people were blockaded on a cross-channel ferry yesterday after port workers at Plymouth "blacked" the ship.

The 2,400-ton ferry arrived in the port at 7 a.m. but dockers refused to connect her to the loading ramp.

The men are involved in a dispute over introduction of a new freight service between Portsmouth and St. Malo by Brittany Ferries. The company also operates the Plymouth to Roscoff route.

After waiting more than an hour while port workers held a dockside meeting the ferry sailed out again—still with her passengers, a dozen cars and 20 lorries on board.

PARLIAMENT

SHIP REPAIRING CLASH

Tory peers warned on uncertainty

THE TORIES objected to the nationalisation of ship repair yards because their work was quite separate from shipbuilders, Lord Campbell of Croy. (C.), maintained in the Lords yesterday.

When peers discussed Commons rejection of changes they had made in the Aircraft and Shipbuilding Industries Bill, Lord Campbell said ship repairing was in no difficulty, and had been more than holding its own against Western European competition over the last five years.

The Government's selection of 12 firms to be nationalised raised the question of hybridity so that the sensible course would be to drop ship repairing from the Bill, as the Lords had originally suggested, he declared.

Speaking on a new clause added by the Lords, but rejected by the Commons, which would prevent the nationalised shipbuilding corporation from repairing ships, Lord Campbell said that "to nationalise ship repairing firms would upset and damage an industry which is wholly inappropriate for nationalisation."

LORD CAMPBELL OF CROY
Tories "should insist" on their views.

The Conservatives should "insist on their own view" over the list of 12 ship repairing companies which they had originally cut out of the Bill.

Lord Shinwell (Lab) said: "We should do this nation great harm if we took over the ship-repairing industry, and do the industry and its workers no good."

He would not support the Government in the vote on ship repairing and added to laughter from the Conservative benches: "The critics in the House of Commons can jump into the Atlantic for all I care. We have to make a stand."

Lord Shinwell said that people should be permitted, within the party system, to have the right to express themselves, independently, irrespective of what was decided by a Government executive.

Lord Byers, for the Liberals, said his party would vote against the Government. The whole measure was extremely irresponsible in the light of present economic circumstances.

He said: "With all our experience of the failures of bureaucracy and capacity for making losses in the industries which are already nationalised, it is unbelievable and lacking in common sense, that any Governmetn should embark on further nationalisation at this time."

If the Lords tried to use its legitimate delaying power, the Government would use the Parliament Act to get the measure through in a short time. But the least they could do was to save ship repairing from nationalisation.

Lord Byers added: "This is an industry which requires alertness, enterprise and quickness of action and decision. These are not the characteristics of nationalised industries as we have experienced them."

If an individual ship repairing company wished to become part of the new nationalised industry, it could negotiate to do so. But the rest should stay free from nationalisation.

Lord Melchett, Government industry spokesman, said that distinctions between ship building and repairing had been greatly exaggerated.

The activities complemented each other and separating them would lead in many cases to inefficiency and the loss of flexibility in the use of resources.

Removing the 12 ship repairing companies from the Bill at the eleventh hour would place them in an unexpected and possibly unwelcome predicament. "Worse still would be a situation where uncertainty drags on," he said.

Lord Colville (C.) said there were still doubts about whether the Bill was "hybrid," but Lord Melchett said the Government did not accept there was any element of hybridity in the Bill. He accused Tory peers of using the issue as "an excuse—and a bad excuse at that" to impede Government legislation.

Lord Melchett said the Government felt, in all sincerity, that if the Bill was further delayed, the consequences for the shipbuilding and aicraft industries would be extremely severe.

Booth tries to save Courtaulds factory

Financial Times Reporter

A PLEDGE that the Government would "re-double" its efforts to avert the closure oft he Courtaulds factory at Skelmersdale was given by Mr Albert Booth, Secretary for Employment, in the Commons yesterday. The gravity of the unemployment situation already facing the North-West was stressed by regional MPs from both sides.

In a bitter comment from the Government backbenches, Mr. Eric Heffer (Lab., Walton) recalled that Courtaulds had received considerable sums in Government assistance, and the trade unions had co-operated over manning agreements. Yet the workers were still faced with redundancy.

He suggested that the time had arrived for the Government to act through the National Enterprise Board so thta alternative jobs could be provided in the Merseyside area.

Mr. Booth replied that Courtaulds had indicated that in all but one of the factories scheduled for closure there had been no question of manning agreement difficulties. It was the contention of Sir Arthur Knight and his colleagues that most of the redundancies stemmed purely from commercial and trainin gconsiderations.

Mr. Booth said that the Government intended to continue examining how the role of the NEB might be extended to provide alternative employment.

Scottish pubs 'open till 11' from Dec. 13

SCOTLAND'S pubs will be able to stay open until 11 p.m. from December 13. But Sunday opening north of the Border cannot come into effect unt'l after July 1 next year. Mr. Bruce Millan, Scottish Secretary said in a Commons written reply.

He told Mr. Hugh McCartney (Lab., Dumbarton C), that he intended to make a commencement order under the new Licensing (Scotland) Act enabling licencees to operate the later closing time and extensions for drinks with meals from next month.

But many of the Act's provisions — including permitting applications for Sunday opening —depended on the constitution of licensing boards. These would follow the district council elections and could not come into effect until after July 1.

Sterling 'in competitive position'

IN A WRITTEN question in the Commons yesterday Mr. Bryan Gould (Lab. Southampton Test) asked what steps could be taken to assure exporters that the pound would not be revalued.

Mr. Robert Sheldon, Financial Secretary to the Treasury, replied "Mr. Gould is aware that I cannot comment on intervention policy. The important point is that sterling is now in a competitive position and the Government hopes that U.K. exporters will take full and vigorous advantage of this opportunity to expand our exports."

Law proposals

THE GOVERNMENT yesterday welcomed proposals by the Law Commission on the matrimonial jurisdiction of magistrates' courts.

One of the Commission's recommendations would enable magistrates' courts to grant orders for the protection of battered spouses or their children.

Mass lobby: Foot points to 'fundamental right'

MR. MICHAEL FOOT, Leader of the House, yesterday appealed to MPs to help police and Commons officials to deal with to-day's expected mass lobby against Government spending cuts.

In a statement to MPs, he said: "To lobby one's MP is a fundamental right of the people of this country and special efforts have to be made to enable as many people as possible to have access to Members."

But he warned that it was unlikely that more than 3,000 of the 30,000 demonstrators expected in London would be able to get in during the course of the afternoon. There were bound to be large numbers of disappointed people.

Tory MPs shouted approval when Mr. George Cunningham (Lab., Islington S. and Finsbury) said: "Mass lobbies are just not a sensible way for people to deal with their MPs." He added: "It makes it quite impossible to have any serious discussion at all."

Mr. Foot replied: "I do not accept that mass lobbies are to be attacked or denounced in the comprehensive way you suggest. Anyone who knew the history of our country knew that they had played an important part in it."

Mr. John Peyton, shadow Leader of the House, feared that the police would be on the receiving end of people's disappointment and he wondered how far the Commons was justified in putting on the police the burden of handling a virtually unmanageable situation.

Liberal leader, Mr. David Steel said it was much easier for people to lobby MPs in their own constituency. "It is asking for trouble to build up frustration if people travel a very long distance only to find they cannot see their MPs."

But the Leader of the House was urged by Mr. John Mendelson (Lab., Penistone) to "hold fast to what you have said and not be deterred by the enemies of democracy."

Mr. Foot said he would not be so deterred.

Lords reform

A PRIVATE Member's measure to reform the House of Lords, introduced by Mr. Michael English (Lab., Nottingham W.), was given a formal first reading in the Commons.

The Bill would ensure that "the will of the people as expressed by the House of Commons would prevail over the will of the hereditary peerage."

Speaker will rule to-day on treason protest

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE COMPLAINT that a Tory backbencher had levelled a charge of treason against at least 30 Labour MPs, who, he claimed, were an alliance of crypto-Communists, will be the subject of a ruling in the Commons to-day by Mr. George Thomas, the Speaker.

Mr. Arthur Latham, chairman of Labour's Left-wing Tribune Group, calling for the Speaker's decision on the matter, contended that a "scurrilous" attack had been made on 10 named Labour MPs and at least 20 more who were not named in a speech by Mr. Iain Sproat, Tory MP for Aberdeen South.

Amid mocking interruptions from Tory backbenchers, Mr. Latham raised the affair as a breach of privilege and a contempt of the House—particularly over the ten MPs named by Mr. Sproat.

As the noise mounted, with derisive Opposition MPs urging Mr. Latham to read out the names of the ten MPs, the Speaker had to call the House to order. A privilege allegation was a serious matter, he said.

Mr. Latham, who is MP for Paddington, said extracts of Mr. Sproat's speech had been widely circulated at Westminster.

The circulated document began by saying that the Labour Party had clearly been infiltrated to a terrifying degree by people who called themselves Labour, but who held views totally alien to the democratic Labour tradition.

Jeered on by Tories as he reached sections of the speech with which they agreed, Mr. Latham said it had claimed that decent Labour voters would be horrified if they realised how they had been tricked and what Labour MPs and others really stood for.

MR. ARTHUR LATHAM
"A scurrilous attack."

"Hear, hear," shouted the Tories and were again called to order by the Speaker.

Mr. Latham said that up to this point the speech was merely immature and irresponsible. But it went on to say that there were now at least 30 MPs whose views were virtually the same as those of Communists and assorted Trotskyite groups, Marxists, and the so-called New Left, and claimed: "These MPs are perpetrating a massive fraud on the voters by standing for Labour."

The speech went on: "They are little less than the equivalent of under-cover political agents for alien political groups."

Mr. Latham said the names of MPs Mr. Sproat had accused were not published by the newspapers because their legal advisers had warned them against doing so. The speech claimed that the aim of these people was to turn Britain into the equivalent of a totalitarian East European state.

The complaint lay not merely in the naming of the ten MPs. A complaint also resided in the allegation against the remaining 20 who had not been named, said Mr. Latham.

A breach of privilege concerning the whole House arose from the general allegation relating to the total of 30 MPs, he maintained.

The document represented more than a political attack. It was a "disgraceful piece of character assassination. The attack was on the honour of MPs, their integrity and their motives. This document, in effect, accuses some Members of the House of treason," Mr. Latham added.

He indicated earlier that he was taking legal advice on whether the speech supplied grounds for court action for defamation of character.

The Speaker will give his ruling on the question of privilege this afternoon.

But Mr. Sproat said yesterday that he stood by his speech. "I don't retract a word of it. I am interested that the far Left should be so sensitive to the spotlight of truth for once being turned on them. . . . I did not say any of them were members of the Communist Party. I said their views were indistinguishable from Marxism."

Dole row taxes tempers

BY PHILIP RAWSTORNE

THE BENEFITS of being unemployed taxed the temper of the Commons yesterday—and that of Mr. James Callaghan in particular.

"A most squalid campaign" was being conducted over the social security payments to the jobless, the Prime Minister declared.

To roars of support from the Labour benches, he accused Mrs. Margaret Thatcher of "descending to the same squalid tactics."

The Tory Leader sharply demanded whether he agreed that unemployment benefits should be taxable.

There was little point in talking about the anomalies that denied proper rewards to skilled workers unless some action were taken, she added.

"Theory is often very different from practice," Mr. Callaghan retorted, with the wisdom of the well-briefed. The Labour Government of 1948 had taxed short-term benefits and had been forced to abandon it after six months of administrative chaos.

Successive Governments had been unable to find a scheme which would not involve a substantial increase in civil servants—and he thought the Opposition were against more bureaucracy.

Policies which tied social security benefits to cost-of-living increases but held pay rises below that level were bound to produce anomalies and grievances, Mr. Callaghan admitted.

But is was one thing to recognise a problem—even if in reality it bore no resemblance to its presentation in some newspapers—quite another to find an instant solution.

The Prime Minister had known about it for months, snapped Mrs. Thatcher. "And you," shouted Labour MPs.

Mr. Callaghan, reminded suddenly by the shouts and exactly by his notes, recalled that the Tories had not only agreed to the benefit increases last June in 74 minutes without a vote, but had actually been pressing for rises every six months.

"Where are the humbugs now?" he cried—inducing a thoughtful silence on the Tory side until Sir David Renton, MP for Huntingdon, boldly rose to claim that at least the Lords were on the side of the workers. "Tell that to the TUC," he called.

The Prime Minister promised to convey the message and to bring back the TUC's reply if it were printable.

Written Answers

ENERGY

Mr. Gordon Wilson (Scot. Nat., Dundee East). What shortages and surpluses in the U.K. supplies of petro-chemical feedstock (analysed according to principal ranges of product) are envisaged for the period 1976 to 1985?

Dr. Dickson Mabon, Minister of State. There will certainly continue to be trade between the U.K. and other countries in petro-chemical feedstocks. Taking into account North Sea oil and gas production, I do not foresee any shortage of supplies for the U.K. petro-chemical industry.

*

Mr. Gordon Wilson. What is the current estimate of annual growth in electricity demand in England and Wales in the light of energy trends?

Mr. Alex Eadie, Under-Secretary. Current estimates suggest that the average annual growth of electricity demand could be in the range of 2-3 per cent. up to 1980.

*

Mr. Michael Brotherton (Con., Louth). Are there plans to introduce legislation on tied cottages owned by the National Coal Board similar in scope to the Rent (Agriculture) Bill?

Mr. Wedgwood Benn. No Sir. Occupants of houses owned by the National Coal Board have security of tenure so long as they remain in the industry and this applies also when they retire, and to their widows. Moreover the National Union of Mineworkers has an effective voice in the allocation of houses. In these circumstances I do not consider that legislation on the subject is necessary.

TRADE

Mr. Nicholas Winterton (Con., Macclesfield). What export subsidy for textiles is operated by the Indian Government, and what is the amount of any subsidy?

Mr. Michael Meacher, Under-Secretary. I understand the Government of India pays cash grants to exporters of certain products including man-made fibre, silk and cotton textiles to compensate for manufacturing disadvantages such as the high cost of materials, the small scale of production and certain local taxes which cannot be refunded on exports. On textiles they are believed to amount to between 10 and 17½ per cent. of the f.o.b. value.

TREASURY

Mr. John Evans (Lab., Newton). What is the total amount of money loaned by the European Investment Bank to the U.K. in each year since 1973?

Mr. Robert Sheldon, Financial Secretary. £32.9m. in 1973; £79.9m. in 1974; £186.5m. in 1975; and £163.9m. so far in 1976.

*

Mr. Douglas Henderson (Scot. Nat., East Aberdeenshire). What is the comparative cost of producing £1 coins instead of £1 notes; and what would be the estimated average life of £1 coins?

Mr. Denzil Davies Minister of State. It would be undesirable for commercial reasons to publish the costs of production. A coin is initially more expensive to produce than a note, but, depending on its specification, may have a life of up to 50 years.

PRICES

Mr. Peter Morrison (Cons., City of Chester). What was the weekly amount spent on food by the average family in February 1974 and what is it now?

Mr. Robert Maclennan, Under-Secretary. According to the National Food Survey, a family of two adults and one or two children spent, on average, £2.78 per person per week on food during the first quarter of 1974; in the second quarter of 1976, the latest period for which information is available, it was £4.06 per person per week. In both periods, these families spent about a quarter of their money on food in the home.

It's a scandal, says MP

"SCANDALOUS ABUSE" of the power of judicial appointment lay in the Employment Secretary only having appointed TUC-affiliated union members to sit on Industrial Tribunals, Mr. Charles Fletcher-Cooke (C., Darwen) said in the Commons.

Mr. Harold Walker, Employment Minister, had told him that all 1,095 members of the tribunals had been appointed after consultation with the TUC.

Mr. Fletcher-Cooke said that no members had, therefore, been appointed from registered unions other than those affiliated to the TUC.

Mr. Walker replied that the present Government followed exactly the same practice as between 1965-71, when it had gone unquestioned.

Mr. Peter Bottomley (C., Woolwich W.), said half the employees in this country were not affiliated to the TUC. Appointing some would be a way of taking politics out of union membership.

Mr. Walker replied that the statutory obligation on Mr. Albert Booth, Employment Secretary, laid down in 1971 by a Conservative Government, required him to consult organisations which represented employees.

Tory MPs shouted in anger when he went on: "I do not know any organisation which represents non-union members."

Water stocks highe[r] but economy still needed, says Howel[l]

WATER SUPPLIES should be sufficient to cope with another drought next year, Mr. Denis Howell, Minister responsible for water resources, told the Commons yesterday. But he also made a fresh appeal for economies in using water.

Mr. Howell said it was essential to establish a strong national water authority "capable of developing a national strategy and with responsibility for national planning."

He told MPs that the Government intended publishing a White Paper early next year setting out detailed proposals with a view to "presenting legislation to Parliament as soon as is practicable."

Mr. Howell described the present situation as a "reasonably satisfactory outcome to what seemed, in the summer, to be an extremely threatening situation."

He put this down to three factors: the programme of emergency works carried out by the water authorities, the response by the public and by industry, to the appeal for economy in water use, and the wide use made of the new powers conferred on water authorities by the Drought Act, which, he said, had been "crucial."

The Minister said the National Water Council had reported that work to the total value of £187m. was in hand or commissioned. "The council concludes, on this basis, that even if we have another dry winter followed by a dry summer comparable to this year's experience, there should be sufficient supplies available next year to maintain industrial production and employment and to meet almost all domestic requirements.

"I must stress, however, the study's conclusion rest[s on] the assumption that we will [con]tinue to make economies i[n] use of water. Ground [water] sources are still seri[ously] depleted and will take [many] months to recover."

Mr. Howell said there w[ere a] number of lessons to be le[arnt] from this year's experience [and he] was asking the National [Water] Council, and his Departme[nt to] carry out a detailed study [of] different forms of water r[ation]ing by standpipe and by [supply] cuts, the criteria on which [the] supply planning was base[d].

Mr. Arthur Jones (C., [Daven]try) congratulated Mr. [Howell] on a "real success" stor[y and] referred to the importan[t part] played by private water [com]panies in the emergency a[nd] the National Water Counc[il] confirmed the soundness [of the] present arrangement of [water] authorities," he declared.

Mr. Howell said tha[t the] response of water compani[es had] been mixed. Some had [had to] be sharply warned tha[t the] nation's resources mus[t be] "handled and managed [as a] whole."

There were loud chee[rs at] Mr. Howell's remark tha[t the] very heavy rainfall of th[e last] two months has greatly im[proved] water supplies."

To laughter, Mr. Marcus [Lipton] (Lab., Lambeth Central) [asked] if standpipes worked [to save] water. Mr. Howell said [he did] not know if that had been [...]

And when the Speaker [ruled] that no more questions [could] be asked, Mr. Sydney [Bidwell] (Lab., Southall) said th[at it] put him in a difficult sit[uation]. "Am I to advise my const[ituents] to stop praying for rai[n?" he] asked.

Cable and Wireless move defeated

AN MP's attempt to return the State-run Cable and Wireless to private ownership was defeated in the Commons yesterday by 183 votes to 150, a majority of 33. The move was launched by Mr. Ian Gow (C., Eastbourne), who declared that "State ownership had proved to be a fraud."

He admitted that the company had made £11m. profit after tax last year, but insisted that, too often, the public interest was sacrificed for the political interests of the party in power.

Referring to the appointment of former Leader of the House, Mr. Edward Short, to the chairmanship of the company, Mr. Gow claimed that there was resentment and incredulity at Government patronage which provided jobs for superannuated politicians.

Mr. Gow believed his p[...] would remove the tem[ptation] from the Secretary for I[ndustry] to inflict still more of [his col]leagues on the board of [Cable] and Wireless.

Labour Left-winger, M[r. Neil] Kinnock (Bedwellty) d[escribed] Mr. Gow's Bill as "entir[ely dis]graceful." He suggested [a new] Parliamentary term "G[ow" for] repetitive irrelevance [in]troduced at weekly interv[als].

He said the Tories ha[d failed] to take the opportunity [when] they were in power to de[nation]alise Cable and Wireless.

Government studying new plans to aid companies

BY OUR PARLIAMENTARY STAFF

SUCCESSOR ARRANGEMENTS for the temporary employment subsidy, due to expire on December 31, are under consideration by the Government, MPs were told yesterday.

The Prime Minister stated that the subsidy had proved a very successful means of assisting companies in difficulty.

"The Government is now considering what new plans can take its place."

Earlier, Mr. John Golding, Under-Secretary for Employment, reported that at October 29, 1976, 1,845 applications for temporary employment subsidy had been approved covering 135,332 workers. Some 385 applications affecting 32,222 workers were under consideration.

Job protection

THE CONTROVERSIAL Employment Protection Act should cost employers less than 0.25 per cent. of their wage bills when all its provisions are implemented. Mr. Albert Booth, Employment Secretary, told Tory MPs.

The Management Page

EDITED BY JOHN ELLIOTT

…holas Leslie reports on how Government cash helped companies to avoid redundancies

…ubsidy to keep a …orkforce intact

…E THE THREAT of …dancy has become a … for many thousands of … over the past year or so, …han 140,000 workers have …d losing their jobs as a … of the Government's …rary Employment Sub… TES).

…present period of the sub…pires at the year end and … more than £129m. has …iven to companies to keep … they would otherwise …ttisoned as economic and … pressures forced them …back their activities.

…ugh feelings among …nies towards TES appear mixed — and there are …ose who take the attitude …e subsidy is rather like … companies "on the …there seems to be a …ly favourable feeling …s it.

TES scheme was intro…on August 14, 1975, as …ure to help combat a …ng unemployment situa… The basic idea was that …ompany contemplating redundancy should first … applying for the sub… order to retain its staff …ly if it could see that the …n in its business was …urely temporary nature. …mpany would have to …p the rest of the wage …o its normal basic level. …ugh first restricted to … Areas, just over a … later the subsidy was …d to cover the whole …U.K. A series of other … followed. In December, …ber of potential redun… under consideration …ould qualify a company …bsidy was reduced from …ore to 25 or more and … February, 1976, the …m period for which the … could be paid was …d from six to 12 months … numbers to qualify …rther reduced to ten … In April, the life of …heme was extended … the initial 12-month … — applications are … up to December 31, …d finally the amount …dy was raised from £10 … per person per week.

…xperiences of a handful …anies show that, while …d to dip into reserves … the wage bill for sub…employees (and this is …actor for any company …ler when contemplating …o TES) one benefit soon … apparent, particularly …anies with a skilled or …ed workforce. This was … they started to emerge …eir trough when busi…ked up again, it was … get back into full pro…much more quickly and …y than if they had had …rt recruiting more …

…rocedure for applying … was straightforward, …g to a Scottish textile …turer (virtually all …s of the subsidy prefer … in anonymous) which … to the scheme for 13 …

…-back

…gh the company had … to avoid the worst of …ral textiles slump last … the Autumn it was …g to feel the pinch. A … was necessary and dis… with the unions about …ncy took place (a pre… of being granted a … Talks then followed …ficials of the local …ent of Employment …d the suggestion to …r a subsidy was made. …he company was com… the idea, the DoE then …meone in to check us …ys a spokesman. This …ooking at the areas of …ness which would be … Discussions on the … the company's order …ok place "and we gave … submission of what we … for 1976." To qualify … it was also necessary …ompany to guarantee to …e affected workers for …iod of subsidy.

…subsidised employees …wn from the six main …n areas and involved …e-sixth of a workforce …300. To accommodate … the slump conditions, …n levels were reduced, some semi-skilled operators moved down a grade and some took on labouring jobs like sweeping the factory floors.

Not only were the unions involved in discussions, but the people affected by the subsidy were also consulted about the company's intentions. This was common practice among those companies involved and, as an electrical motor manufacturer which used TES put it, this "had quite a good psychological effect on the workforce."

But the electrical motor manufacturer, in common with the textiles company, a Northern paper mill and a footwear and rubber products manufacturer, commented that it was difficult to decide whether taking on TES was the right course to take, particularly when the subsidy was only £10. As the paper mill spokesman put it, it was only worthwhile "because we have to recruit and train our own labour. If there was a pool of labour it would not be worth it."

In most companies, the numbers covered by the subsidy are reduced steadily. Each agreement covers a 13-week period, but companies have to make a progress report to the DoE and re-apply for the subsidy every four weeks. Thus, for example, T. Jones Construction (Staffs) started off with about 50 workers being subsidised for the first three to four months and the numbers were gradually reduced by six to seven men per month over eight months.

Jones' original problem, according to the managing director, Mr. T. Jones, was that its one and only client, the Post Office, delayed putting out new work to tender after it incurred a big loss in 1974-75. Although last autumn he could foresee no immediate improvement in the situation he expected the P.O. to tender eventually—so he approached the DoE. He did not want to lose up to 50 from a workforce totalling about 94 which was experienced in telephone duct laying.

ALLOCATION OF TES BY REGION

	Applications approved	No. of workers
…hern	83	6,732
…s. & Humberside	197	14,335
…-East	292	17,734
…-West	153	7,507
…s	134	8,328
…nds	357	29,460
…h-West	493	40,454
…land	220	16,039
…l	1,929	140,589

…s updated to November 12, except Northern Region and Scotland, where … as at October 29.

Reduced

Although the company started with a subsidy for 50 and this was gradually reduced the total amount coming in from the DoE remained fairly static for a while because the subsidy was doubled to £20 from last April. Even so, Mr. Jones reckons the company had to provide an average of £50 per person on top of this; it was only because the company had been able to build up some reserves that it could withstand the strain.

Since there was little work for the men to do, other jobs were found such as cleaning up equipment and general reorganisation. One experienced labourer was put in charge of yard management and proved so efficient at organising deliveries and the booking in and out of supplies and equipment, that he has been retained in that position at his normal wage for site work, which is higher than usual for a yard manager.

All five companies stressed the importance of having been able to build up reserves since the subsidy they received only represented between one-quarter to one-sixth of the average wage being paid to workers involved.

The company making footwear and rubber products—whose workforce was described by a director as unskilled or semi-skilled in the traditional sense but specialist for the company—re-arranged work schedules for people on subsidies and some, as in other companies, did manual jobs like sweeping and cleaning the factory. Others, however, were re-trained for more specialist work during the 13 weeks the company was receiving the subsidy.

The company applied for the subsidy reluctantly. It had foreseen last year that the early months of 1976 would be difficult as a result of the economic recession which led retail outlets to cut back on ordering and to run down stocks. Its first inclination was to negotiate with the unions to reduce the level of guaranteed wage, but the union executive vetoed this and instead showed a preference for redundancy proposals. This led to discussions with the DoE and subsequently a subsidy, which the company received during the first three months of this year.

Managements found, perhaps not surprisingly, that unions were co-operative when the idea of applying for the subsidy was first mooted. But the five companies were also all appreciative of the way in which the local DoE offices handled the TES scheme. One accolade—perhaps unusual for a Government department — came from the director of the paper mill. He said: "The officials of the DoE ran it in the right spirit. They were not trying to find ways of not helping or paying and there was no delay. They were swift and efficient."

As for the DoE itself, a spokesman commented that TES has been "undoubtedly one of the most successful of recent schemes introduced to help alleviate unemployment."

What lies beyond the year end is not clear. But it is known that the Government is looking into the implications of extending the scheme in one form or another.

BUSINESS LAW

Problems of using the law

BY A. H. HERMANN

THE COURT of Appeal seems to be getting rather impatient with inordinate delays in litigation. Last Friday three Appeal judges ruled that a plaintiff's action could be dismissed if timing laid down by a court was not complied with, whether or not any further delays would harm the defendent.

"Protracted litigation became much more common in the course of the past 15 years" Lord Justice Lawton said recently in the Court of Appeal and he asked lawyers in general to take the time limits prescribed in the rules of the court seriously. The limits, he said, should not be treated as an ideal which could only be attained occasionally.

The archaic structure of the legal service is however probably more responsible for the length and cost of litigation than the individual failings of its members. Instead of the present teams of solicitors, senior counsels and juniors, clients might well be much more efficiently represented by single advocates specialised in certain areas of the law. As one witness told the Royal Commission on Legal Services, the division of the legal profession into its two branches of solicitors and barristers "encourages mental laziness and the tendency to spend clients' money to seek the cover of counsel's advice."

Lawyers employed by large companies, banks or public corporations already specialise in different areas of the law, and as a rule are knowledgeable about business practice as well as about the law. Yet these barristers are not allowed to plead their employers cases in court, unlike the salaried solicitors employed in industry or by Government departments who have the same right of audience in lower courts as solicitors in private practice.

No one would dare to suggest that practising barristers spin out cases to earn more money; but it seems possible that barristers paid a fixed yearly salary would have an added incentive to arrange matters so that they need not spend more time in court than is absolutely necessary.

The argument that the barrister has certain responsibilities to the court and for the administration of justice which over-ride the interests of his client could be satisfied by giving salaried lawyers a specific independence in professional matters. This is done in German industry where such an advocate has the same rights as advocates in private practice.

The division of the legal profession and the archaic procedure are not the only factors contributing to delays. There are many types of disputes which could be better settled in other ways than in the courts. This is certainly true about disputes between solicitors and their former clients who claim damages on the grounds of alleged breach of professional duties, negligence or dishonesty. It was such a dispute, now in its fourth year and with legal costs approaching the stakes involved, which prompted Lord Justice Lawton to complain about the increasing frequency of protracted litigation and lengthy trials.

> The operation of the law is being impeded by lengthy and costly litigation and by the inability of experts to plead in even the most specialised of company legal battles

Though the creation of an informal arbitration tribunal would be the best solution, it is probably true that even the intervention of the Disciplinary Committee of the Law Society, would be more useful to the complaining client than the present expensive long litigation. Yet the Law Society will not intervene if the client alleges negligence and may sue the solicitor for damages.

As a result, the disappointed client must look for other lawyers to help him against his former advocate—and they are not always easy to find. Moreover the offending solicitor can keep the papers of the case until he is fully paid by the client.

In commercial terms this means that the client must first pay for the services about which he is complaining before he can effectively launch his case.

Apart from disputes such as these which are unsuitable for litigation, there are others which last so long or are so expensive that they defeat the purpose of the law. Patent infringement actions for example, which can take many years and require enormous financial resources on the part of the litigants, are most prominent in this category. Dealing with an interlocutory appeal in the dispute between Kodak and Polaroid over the instant picture film and camera, one of the appeal judges estimated last week that it will take another two years before the main issue will come to trial. The counsel for Polaroid said it might be eight to ten years before a decision was obtained from the courts, by which time the disputed patents would have expired. There was talk during this appeal hearing about the need, in patent cases, "to educate the court to appreciate the technical issues involved." This task would probably be easier if such cases went to an infringement tribunal of the Patent Office rather than to the High Court.

If patent litigation could be speeded up and made cheaper a new lease of life might even be given to the patent system. Though designed to promote inventions, it is at present often a powerful weapon against existing or potential competitors when used by companies which can afford long litigation. On the other hand, it is almost useless to the small or medium size firm and especially to the private inventor facing a financially strong opponent.

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WEDNESDAY, NOVEMBER 17, 1976

Bearish sales outlook

THIS WEEK'S rise in social security benefits, which is intended to make up for the general rise in prices over the past year, may bring about a temporary revival in retail sales. But for most people who do not receive such benefits the rise in income over the past year has been less than the rise in prices and has often brought with it a higher marginal rate of direct tax. Real disposable incomes have fallen and at the same time—presumably because people are more apprehensive about the future—the proportion of earnings saved has remained unusually high.

It is mainly for these reasons that retail sales this year have been slightly lower in volume terms than in 1975. Such sales, of course, account for rather less than half of total consumer spending and price rises in the other half—which includes such items as housing and motoring—have been particularly sharp. But the sales figures are published earlier and provide a reasonable guide to the trend of consumption. After a jump over the turn of 1975-76, accounted for by greater interest than usual in more than usually protracted winter sales, sales drifted down until the third quarter of the year, when they suddenly shot up.

October drop

Several special factors may have contributed towards this recovery. First, consumers may well, in the mid-year as at the end-year, have taken a special interest in the seasonal sales. Second, the income-tax cut that was the quid pro quo for continued voluntary wage restraint came into force during this period. Third, sales to foreign tourists may well have been particularly high during the summer holiday period. With the latest fall in the sterling exchange rate, these sales to foreigners have again shot up; and this, together with the increase in welfare benefits and the approach of another sales season, may push the volume of retail sales above its trend line for a time.

But the position of this trend line is suggested by the figure for October, when—with special factors having spent their force for the time being—the volume of sales fell back more than halfway towards the second-quarter level. This happened, moreover, at a time when the possibility of a rise in VAT and excise duties was already being widely canvassed and some anticipatory buying is likely to have taken place. In the first half of next year, if the incomes policy holds, prices will be rising a good deal faster than wages and the drop in real disposable income may well be sharper than in 1976.

Price squeeze

There is little the Government can do about this, and the TUC Economic Committee, at any rate, seems to accept the fact. The main reason for the coming increase in prices, apart from the drought, is the steep drop in the exchange rate that has already taken place. The index of raw material costs for manufacturing industry outside food, which is the first indication to reflect this drop, has risen by 7½ per cent. in the past two months alone: and this, together with any increase in oil prices, will gradually work its way through to the consumer over the months ahead. Mr. Hattersley, the new Prices Secretary, seems to have conceded that, with the Chancellor insisting on phasing out food subsidies and the deficits of the nationalised industries, there is relatively little he or his department can do about the squeeze on personal spending power for the time being and is looking forward instead to Stage Three. The outlook for retailing in at least the first half of next year is therefore bearish.

President Giscard can still win

FRANCE IS living under the shadow of the Parliamentary elections due in spring, 1978, and the possibility that they will produce a Left-wing majority in the National Assembly. If they do, they will almost certainly lead to a constitutional crisis, since it is difficult to see how President Giscard d'Estaing could govern through a Left-wing administration that, on all present form, would be obliged to include the Communists.

Inconclusive

Practically all political events in France have to be seen in this light, and indeed have so been seen for most of this year. The results of the cantonal elections last March indicated that a Left-wing victory was on the way. So, too, have most of the opinion polls which have tended to give about 48 per cent. of the votes to the present majority parties and 52 per cent. to the alliance of Communists and Socialists. At the same time, the present majority—of Gaullists and Centrists—has not been improving its chances by publicly quarrelling about how best to resist the Left-wing advance.

It was therefore natural that the series of by-elections which took place on Sunday should have been regarded as another important indicator about the future. In the event, however, the results were less than conclusive. Indeed two rather contradictory points stand out. The first is the strong showing by M. Jacques Chirac, the former Prime Minister, whose resignation last August brought most of the by-elections about: and the second is the way the Socialists continue to make ground at the expense of their Communist partners.

M. Chirac believes—in flat opposition to President Giscard—that it is necessary for the present majority to rally its traditional supporters rather than woo the floating voter by moving to the left. In a way, he has proved his point. He won nearly 54 per cent. of the vote on Sunday in a constituency which, in the Presidential election in 1974, voted more than 55 per cent. for M. Francois Mitterrand, the candidate of the Left and which, until M. Chirac first contested it in 1968, had been solidly Left wing. Yet the triumph may have been largely personal—a tribute to his own campaign rather than a sign that the Right could do anything like as well elsewhere.

The continued advance of the Socialists over the Communists, by contrast, suggests that there may be something in President Giscard's thesis that the forces of the Left are not nearly as cohesive as has been supposed. If Communist voters can desert to the Socialists in local and by-elections, it may be that some Socialists will desert to the Centre in the full-scale Parliamentary elections, if only to avert the constitutional crisis that a Communist-Socialist victory would bring. At the very least — and this must be the President's fall-back position—there might be a chance of the Socialists coming to regard too close an alliance with the Communists as a liability. That would open up the possibility of a Centre-Left government without Communist participation.

Fluid

Although the present divisions between President Giscard and M. Chirac may be embarrassing, it should also be remembered that they do not have to be wholly reconciled in order for a government of the present kind to remain in power. It would be perfectly possible for M. Chirac and the Gaullists to conduct a Right-wing campaign in 1978 and for the President's Independent Republicans to present themselves as moderates, and yet to come together again after the elections, if between them they still had a majority. Taking these considerations and the by-election results into account, it would seem that the French political situation is still fluid, and that a Communist-Socialist victory—widely taken for granted in France—should not be assumed.

The Social Services Secretary said this week he is to have another look at the possibility of taxing unemployment and other short-term benefits. **Colin Jones reports**

The problems of taxing social security

ALL social security benefits would have become taxable some 30 years ago if the original intentions of the Beveridge proposals had been carried out. The reasons why they have not have primarily been administrative. Various governments have had the matter looked into since Beveridge but each has eventually concluded that it would be too difficult to bring the system of weekly payments of benefit within the compass of the revenue gathering machine. Now Mr. David Ennals, the Social Services Secretary, has let it be known that another attempt is being made to see what can be done.

If equity were the criterion, there would be everything to be said in favour of such a reform. It has always been anomalous that the State retirement pension should be treated as taxable income while every other social security payment—including unemployment and sickness benefits and supplementary benefit—is not. But considerations of equity have now been reinforced by political imperatives.

The overlap between the income tax and social security benefit systems has long been regarded as blunting the incentive to work for those on low incomes or with large families. But the two systems now overlap to such an extent that the situation has been created where the working poor are being taxed—and taxed relatively heavily—to pay for the tax-free benefits of the non-working poor. This has not only led to much emotive discussions about the prevalence of "scrounging" and fraudulent claims but it has undoubtedly been one of the factors contributing to the disillusionment of life-time Labour voters evident in the recent by-elections.

As the Chancellor remarked on BBC Radio Wales last week, there is also the question of whether it is right to put the whole of the burden of the present economic crisis, and the fall in living standards, on those who are in work while protecting those who are not working. The increases in social security benefits which came into force on Monday may have been intended to adjust for inflation but they are greater than the net after-tax increases in wages which some earners are entitled to receive under the present Government-TUC pay policy.

It is not therefore hard to see why the question of taxing benefits should have moved up the Government's pecking order of priorities. But political imperatives can sometimes be a bad counsellor. The right way to tackle the tax benefits overlap would be not only to bring benefits within the tax net but also to raise tax thresholds. This would make economic sense and at the same time pave the way for an eventual introduction of a tax credit—or negative income tax—scheme. But raising tax thresholds has now become formidably expensive. To raise all personal allowances (other than the married woman's earned income relief) by sufficient to ensure that all tax thresholds regardless of family size were at least as high as the corresponding supplementary benefit level would reduce current tax revenue by at least £1.2bn.



Mr. David Ennals (left) and Mr. Denis Healey (right) do not appear to have ruled out the possibility of taxing "short-term" social security benefits. Mr. Patrick Jenkin (centre), Conservative Opposition spokesman, has called for such taxes.

The scales brought into operation this week are hardly any higher in relation to the average earnings of adult male manual workers in industry than the equivalent rates five years and ten years ago. Indeed, for single people and childless couples the new rates of supplementary benefit are fractionally lower in relation to average earnings than the rates paid in 1971. But tax thresholds have fallen precipitously.

Income-tax is now paid by the single person earning the equivalent of 20 per cent. of average earnings and by a married couple whose earned income is equivalent to 30 per cent. of the average, whereas four years ago tax liability would begin at 32 per cent. and 41 per cent. For families, the tax threshold now comes at 39 per cent. (one child), 43 per cent. (two children) and 48 per cent. (three children) as against 52 per cent., 60 per cent., and 70 per cent. respectively in 1972-73.

This means that virtually everyone in a job is now paying tax. According to the latest earnings survey, only 5.6 per cent. of all industrial manual workers and only 4.6 per cent. of all white collar workers in industry were earning less than £40 a week in April 1976. On that level of income, only families with five children or more would not be liable for income-tax.

As the table indicates, tax thresholds are now substantially below the grossed-up equivalents, according to family circumstances, of the principal social security benefits—in other words, below what is held to be "subsistence level." Indeed, the table somewhat understates the true situation.

HOW TAX WOULD AFFECT SUPPLEMENTARY BENEFIT

	TAX THRESHOLD*		SUPPLEMENTARY BENEFIT		Equiv. Gross Earnings*†		
	a week	% of av. male industrial earnings	basic ordinary rate a week	inc. est. rent allowance	a week	average male industrial earnings	Tax payments if Sup. Ben. were taxed
	£	%	£	£	£	%	£
Single	14.14	20	12.70	17.76	21.63	32	[illegible]
Married	20.87	30	20.45	26.05	31.67	46	[illegible]
" 1 child	26.64	39	24.25	30.55	35.84	52	[illegible]
" 2 children	29.97	43	28.60	34.90	38.71	[illegible]	[illegible]
" 3 children	33.18	48	33.95	40.25	43.30	[illegible]	.73

* Including where applicable, family allowance and tax clawback.
† Earnings before tax to produce net income equivalent to supplementary benefit, including estimated rent allowance.

If the administrative difficulties have stood in the way of the taxing of social security benefits were resolved, and these benefits were to be taxed, the pressure upon governments to raise tax thresholds—not just to keep abreast of inflation but to provide for a real reduction in the burden of direct taxation—would be eased.

The overlap has been brought about, not by real increases in benefits, but by the real reductions in tax thresholds. The benefits now being paid under

It is based upon the new scales of supplementary benefit, which are a notch or two lower than the basic rates of sickness or unemployment benefit. It does not allow for the earnings-related supplement to which newly unemployed workers are entitled, nor for the wide range of discretionary payments which supplementary benefit recipients may get (and 39 per cent. of all recipients were receiving some discretionary additions to the basic scales of benefit at the end of last year).

No allowance has been made in the table, either, for any of the forty or more other means-tested benefits to which those on supplementary benefit have access — such as free prescriptions, welfare milk, free school meals, and free dental treatment. Above all, perhaps, the figures in the table do not allow for the rebates of income tax which a newly employed person will receive. These vary in size and duration according to the level of his previous earnings and the point in the tax year when unemployment occurs. But the erosion of tax thresholds has enormously increased the "gearing up" effect of tax rebates upon the financial position of the recently unemployed in relation to those still at work. The average rate of rebate now ranges from £5 a week for the single man previously on average industrial earnings to almost £12 a week for the married man with three children under 11 — or almost exactly twice as much as the weekly rebate the average industrial earner would have received at the beginning of the decade.

How much extra revenue the Exchequer would receive if all social security benefits were to become taxable is not easy to estimate. The size of the tax rebates paid to the newly unemployed would certainly be substantially reduced but, as the table indicates, the actual amount of tax paid by those on the basic scale of benefit would be relatively tiny, even after allowing for rent allowances and additional discretionary payments. The probability, however, is that the extra tax revenue would be relatively small and so the main question—apart from considerations of equity—would be whether the financial gain to the Exchequer would be commensurate with the certainly considerable extra expense of bringing benefit payments within the systems of tax assessment and collection.

The balance between extra cost and extra revenue would probably be acceptable if the extension of tax liability were limited, as Mr. Ennals is suggesting, to short-term benefits such as unemployment and sickness benefit. But if, for reasons of equity, all benefits were brought within the tax net, the administrative difficulties would be far greater.

For Example, if tax liability is limited to benefits in cash rather than those in kind—such as free prescriptions and school meals—how ought the tax system to cope with people who receive rent and rate rebates from their local authority in lieu of a rent allowance from the Supplementary Benefits Commission? If the rent al[...] ance is taxed so then logi[...] should rent and rate reb[...] but, if neither are, will [...] dividing line between t[...] and non-taxed benefits ap[...] equitable?

On a more mundane [...] equally crucial — level [...] would the systems of tax a[...] ment and collection deal [...] benefit recipients? Would t[...] assessed on a "pay-as-yo[...]" basis, on a par with the P[...] system catering for the ma[...] of employed persons, or o[...] "one year in arrear" basis [...] for the self-employed? If [...] former, could local [...] security offices take on the [...] work? How would these o[...] and the network of loc[...] offices, cope with the mul[...] of short-term and itinerant [...] fit recipients? There are [...] close on 3m. receiving [...] security benefit at any one [...]

These problems are a[...] mentary not only on the [...] plexity of the present [...] security system but also c[...] culpability of successive g[...] ments in letting tax thre[...] be eroded so far as to mal[...] tax exemption of social se[...] benefits, other than the [...] ment pension, no longer [...] ally acceptable.

The tax-benefits overlap [...] be resolved in one or m[...] three ways — by raisin[...] thresholds, by reducing be[...] or by making benefits t[...] There can be no questio[...] the right answer would [...] raise tax thresholds and [...] the way for a fully-fledg[...] credit system. But that [...] would forfeit too muc[...] revenue for governments [...] sider it as a short-term [...] bility.

We are left, in the sho[...] therefore with a choice b[...] reducing benefits relat[...] earnings or taxing them [...] size of the latest increase [...] scales of benefit repres[...] move in the direction [...] first alternative. Unlike [...] vious benefit increases [...] week's up-rating was ba[...] an estimate of future i[...] rather than retail price c[...] that had occurred sin[...] previous up-rating; the [...] rate of inflation which o[...] between late 1974 and la[...] was not compensated for.

Now, according to Mr. [...] the Government is exa[...] the possibility of taxing [...] even though the admini[...] difficulties are so formid[...] to raise doubts as to [...] such a change wou[...] warranted by the ext[...] revenue which migh[...] expected. If benefits do [...] taxable, however, the in[...] for Governments to [...] towards a real relief [...] income-tax burden — a[...] for an eventual tax [...] scheme — would be p[...] reduced.

MEN AND MATTERS

Watch the dial

What with the advance of digital watches and other troublesome factors, the Swiss watch industry is not in general having a great time at present. But a windfall has just come for one company; and it is to my mind definitely in the this-could-be-the-start-of-something category.

The Buler group of Lengnau has had a large order from the authorities in the Ivory Coast worth the equivalent of £3.2m. for no less than 500,000 individual watches. The Ivory Coast is celebrating the 16th anniversary of independence, and what better way than to distribute ½m. timepieces bearing on each of their dials a portrait of President Félix Houphouët-Boigny.

A present of one of these watches will be made to each member of the country's National Assembly, the remainder of the shipment to be offered to the public at what are called "extremely advantageous" prices. One neat advantage for the Swiss is that the consignment will be imported duty-free. I doubt somehow whether such an idea would go down well in Britain, but in view of recent developments, surely Swiss watch salesmen ought to be hastily packed up and en route to Plains, Georgia.

"Sir Frank has been taking our name in vain again!"

Patience of Paradise

"I'm a great salesman." Such jaunty confidence is somehow bearable when it comes from Filmer Paradise, 57, the ebullient American who was top salesman in Leyland's Austin Morris division before he quit in 1973. He was then a couple of years with Maxwell Joseph's Giltspur Investments before being lured out to Singapore to sort out the problems of that country's leading vehicle business, Wearne Brothers.

Paradise spent 11 years in Britain, coming here first as an economic commissioner under the Marshall Aid plan in 1948. Before joining Leyland he was with Ford in Italy.

Wearne, a member of what Paradise calls the "informal grouping" of companies in the Oversea-Chinese Banking family—which includes the famous Raffles Hotel—has been a distributor and assembler of Leyland cars both in Singapore and Malaysia. The latest of Paradise's achievements has been to restore Wearne's profitability (pre-tax earnings were almost doubled in the latest first half) at a time when expansion of the Singapore car market has been brought to a halt, mainly by the Government's environment policy.

The "great salesman" boast is now being put to the test on a week's visit to London. The company has much unused assembly plant and equipment and Paradise is looking for partners keen on joint ventures. Puffing his familiar cigar, he enthuses at length about Singapore's labour relations, tax advantages and benign official policies.

He has kind words for Leyland (he thinks its deliveries have improved) and for fellow ex-Austin Morris top executive George Turnbull, who, as I recently disclosed, is planning to leave South Korea, where he has built up the country's motor industry from scratch, next year. Turnbull will be spending a New Year holiday with Paradise.

Unlike his expected guest, Paradise does not have any enthusiasm to return to Europe at present. He says his Chinese directors regard him as "a nice, capable boy, but a little too aggressive." Maybe Paradise is changing, though. Wearne Brothers has residential and commercial property interests in Singapore and Malaysia, and even if life is a little easier than in Britain, property is on a slow recovery tack. "But we Chinese are very patient," chuckles Paradise. "We can wait."

Poetic corner

A friend of Jack Osbourn's observed yesterday there was a good deal more poetry around the financial scene than most people seemed to think: during his working life with one of the clearing banks he had seen many fine poems in the staff magazine. Osbourn has gone one or two better than that with the publication of a book of his own verse, unlikely stuff from the pen of the chief executive of a financial holding company.

Osbourn hardly fits the usual City stereotype. Away from Goode Durrant and Murray Group, he contributes articles on rural matters (mostly about gun dogs) to County Life and The Field, and his poetry has also surfaced in those journals from time to time.

The idea for a book came after Osbourn read some of his work at a festival of poetry organised by the Arts Council. The publisher is another unusual figure, Julius Lipton, who himself had some poetry published before the war. He went on to farming then pharmaceuticals, always troubled that it was so difficult to get poetry published. Osbourn's offerings are the first post-retirement venture undertaken by Lipton and his tiny Beckenham-based publishing and printing business.

The somewhat simplistic Osbourn imagery will probably confine his book to the acquaintance and chance reader circuit, though he is at least adventurous enough to tackle themes like Bored Board, a piece complete with talk of droning debate, cash flow, and motorway hotel meeting place. Now comes the task of literary marketing: after a congenial launching session in Goode Durrant's Boardroom Osbourn buckled to the task of inscribing suitable messages inside 120 copies destined for friends, most of whom, he said, had not been alerted before to his poetic streak.

Infinite

Stanley Crosbie, general manager (finance) of the Alliance Building Society, says no-one should imagine that he is prepared to defer anyone's interest until the next world, an ambitious idea prompted by the fact he had received a letter from the FT addressed to "St. Crosbie."

Observer

FINANCIAL TIMES SURVEY

Wednesday November 17 1976

OMAN

Since Sultan Qaboos's accession Oman has moved fast towards becoming a modern State while carrying the military burden of the Dhofar war. Break-neck development was bound to lead to confusion and over-spending. With oil revenue expected to decline, the pace will now be slower.

Sultan Qaboos bin Said, Sultan of Oman.

ʌodern ·tate ı mbryo

Robert Graham

ʒe East Correspondent

·N IS about to acquire its set of traffic lights. At the junction where they o be erected is a huge red ɔard. Painted in bold letters ɜ caution: "When the light s red please stop." To ıte drivers in this proce- a television programme is ; prepared. Small things this constantly remind the r of the extent to which ı is a modern state in yo. The Sultanate has effectively part of modern world for six , from the time when ıly, 1970 Sultan Qaboos ırew his father. Until then ɔuntry was isolated, un- ɔped and Omanis were sub- ǀ to the idiosyncrasies of ormer Sultan's mediaeval

an's backwardness under ı Qaboos' father has be- legendary. He spent the 5 years of his rule isolated ; palace in Salalah in the ərn province of Dhofar, ɜed by the evils of the :n world like transistor :, cigarette smoking and ɜ education. This kind of cannot be shaken off —and particularly in of education it will take generation to begin to good the former Sultan's .l refusal to allow school- there were only three :s, with 900 pupils in

much has been achieved scratch. There is now a infrastructure of social, ial and administrative ser- admittedly not carried to ıore remote parts of the ɔr but at least in the prin- centres of population. ɔly no other State in the has acquired such an in- frastructure in so short a time. Driving along roads or passing through built up areas like the new commercial centre of Oman, the mushrooming township of Ruwi, it is often hard to imagine that even four years back there were no tarmac roads, no regular water supplies, no telephones, no modern hotels, none of the modern services which are taken for granted. That burgeoning concrete development should have destroyed the traditional Omani character of the capital Muscat and its twin port of Muttrah in the process is just one sacrifice to the cause of development which the Omanis do not seem yet to regret.

Expectations

Conscious that the overthrow of his father had aroused high expectations, Sultan Qaboos felt that these could be satisfied only by rapid development. Foreign business and expatriate labour was welcomed, and Oman was thrown open as the last of the new frontiers in the Arab world — with a sizeable oil income to show that it could pay for what it intended to do. In fact the Sultan probably had little choice but to act this way given the parlous situation in Dhofar, with the Popular Front for the Liberation of Oman (PLFO) rebels in control of most of the province. Yet despite this preoccupation the Government succeeded in giving the vital thrust to developments.

On the other hand it created enormous problems which only now are beginning to be tackled. Oman was exploited by foreign developers and contractors, who also created an appetite for money among the local merchants. A system of high commissions and payoffs evolved, which benefited very few people but pushed up the cost of development and earned Oman a bad name. There was neither the legal nor the administrative framework to prevent abuses—and abuses there certainly were. Many times Oman paid the price of inexperience, as when it agreed to a 25 year cement monopoly on production and imports for a foreign company (which has now been rescinded). The situation came to a head in *1974 when it was discovered that* Oman's income, 97 per cent. derived from oil, could not meet expenditure.

Administratively this mess was inevitable, with only three years elapsed from the time when the finances of the Sultan and the Sultanate were indivisible. Only in the past year have things begun to sort themselves out. Accounting procedures have been tightened and by next year it is expected that there will even be a full statement of oil revenues; for at present the oil company Petroleum Development Oman (PDO) hands over almost 10 per cent. of the revenue direct to the Sultan and the royal diwan, a practice established under the previous Sultan.

It will perhaps take more time to change a situation which in western terms could be considered a conflict of interests. Ministers and senior civil servants are drawn from the small merchant class who were the only ones able to obtain an education abroad. Frequently ministers are in the position of agreeing to contracts which directly benefit their own companies. Easier to curb is corrupt practice. Because the funds available have diminished there is less corruption in evidence now than two years ago. A number of investigations are under way, in particular into the Ministry of Lands, which is responsible for urban development. But some Omanis fail to realise that their country can no longer afford large sums syphoned off into private pockets.

Thanks largely to financial assistance from Saudi Arabia and Abu Dhabi — coupled with enforced spending cutbacks — Oman's cash flow problems have now been resolved. Symptomatic of the more sober approach is the adoption of a five year development plan, 1976-80. The plan projects a 35 per cent. decline in total financial resources during that period. For the first time the authorities have agreed to publicise the fact that the principal source of revenue — oil — will decline because production is falling off sharply and new wells (and higher prices) are unlikely to compensate. Thus almost before it got started the cushion of oil revenues, running this year at $1.5bn., is being removed. Unless substantial new discoveries are made to offset the present wasting wells, then Oman must rely on Arab soft loans and grants to underpin the economy.

Defence has taken up an exceptionally high proportion of total expenditure, averaging in recent years 47 per cent. of total current and capital outlays. This is a consequence of the rebellion in Dhofar, which throughout Sultan Qaboos' rule has proved the greatest threat to stability. Officially the war is now over and PFLO pushed across the border into Yemen (PDRY). That the Sultan's Armed Forces (SAF) have achieved military control of Dhofar is unquestionable, even though mopping up operations are still continuing in the eastern part of Dhofar where some 50 hard core rebels are believed to be holed out. In addition Saudi political and financial pressure on the Aden Government has resulted in an uneasy stand-to where until March there was cross-border shelling and active support for PFLO. Thus for the first time the Sultan has the opportunity to develop Dhofar, and feel *more relaxed about the security* situation.

But there is little trust in the PDRY — understandable enough when Oman has opted for laissez faire capitalism and traditional rule backed by the West, and the PDRY, on the other hand, is Marxist orientated, fiercely anti-imperialist, harbours PFLO and is backed by the Eastern bloc. The country is still in a state of emergency and the military are still on the alert. This must continue for the foreseeable future.

Until there are signs of a genuine move to normalise relations by PDRY — which would have to begin with an end to hostile propaganda — then Sultan Qaboos will retain Iranian troops in Dhofar. He makes this perfectly clear in conversation and suggests also that the Iranian presence is to *some extent a quid pro quo for* the Cuban and East German Advisers in PDRY. There are a total of about 3,000 Iranians still in Dhofar. It also means that the Sultan is anxious to maintain his close association with Britain, which provides his senior officers and key NCOs. Britain is scaling down its presence in Oman. As of next March the RAF base on Masirah Island will be handed over to become a pilot training centre, and at the same time Salalah airfield will become Omani controlled.

This still leaves Britain with an important residual commercial, political and military stake in Oman. For example, all the sophisticated military hardware including Rapier and the Jaguar strike aircraft are coming from the U.K. An increase in British seconded or contract personnel is needed to operate them. It remains to be seen how much longer Britain wishes to remain increasingly exposed in a country where it has commitments but a lessening ability to influence events. There are already hints that if Britain were to downgrade its role in Oman, the Americans would move in to fill the vacuum.

The British evacuation of Masirah raises the whole question of U.S. interests in the area. The Soviet Union is most unlikely to pull out of its foothold in the Arabian peninsula in Aden. Thus Washington must decide whether a residual British presence in Oman or an Iranian one is sufficient to balance the Russian one in PDRY. The Sultan himself is being open minded on the future of Masirah and certainly will not deny occasional use to *friendly* third countries, the U.S. included, who could well use it for surveillance in the Indian Ocean.

The armed forces have proved themselves to be highly effective fighting units. Since the Sultan came to power they have constantly been in action. If peace holds in Dhofar they will have to come more on to a peace time footing. A taste of things to come can perhaps be detected in friction that is developing between SAF and the police. SAF is being kept tight on funds, but large amounts are being spent on developing the police including a $80m. training school near Nizwa. It seems deliberate policy to build up the police into a strong force with a paramilitary capability. The police have acquired a reputation for thoroughness but also for a certain amount of independent arbitrary behaviour (like the case of a contractor who was imprisoned when some of his plant cut a cable).

The PFLO movement apart, there is little evidence that Omanis are pressing for the Sultan to create democratic institutions. The educated few are probably too busy with making money, while the bulk of the population are either completely outside the political process or wholly caught up in adjusting to the beginnings of modernism. The Sultan rules through a cabinet, to whom he delegates some responsibility, a Development Council (responsible for economic planning) and a network of Walis—or local prefects. The Sultan him*self remains relatively aloof*

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Plan sets guidelines

OMAN HAS learned to its cost that reputations are as hard to shake off as they are easy to acquire. Two years ago the country found itself financially embarrassed. Too much was being spent, too little control was being exercised and there was not enough money to go round. International bankers considered the State a poor risk and the only people who viewed the situation with favour were some foreign carpet-baggers and a few unscrupulous local merchants.

This was at the height of Oman's oil-backed boom in 1974, and at the time the State's reputation for uncontrolled spending beyond its means was justified. Even though circumstances have changed considerably, this reputation still lingers abroad.

The period of uncontrolled boom is definitely over. For a good year now budgetary controls have been in force and investment and growth have levelled off. Symbolic of the new attempt at orderly economic management is the preparation of a Five Year Plan covering development up to 1980. This is the country's first move towards planned development and a rational statement of resources matched against needs. The picture—conservatively depicted—shows very clearly a decline in oil revenues and a consequent fall in investment over the next five years.

Unprepared

It is not difficult to make excuses for the uneven performance of the economy. With no more than three years experience of modern economic development at the time of the 1973 oil price increase, Oman was wholly unprepared for the quadrupling of its revenues. It had neither the financial, administrative, legal nor social infrastructure to cope—and this was ultimately at the root of the parlous state of affairs that developed in 1974.

Oil provides 97 per cent. of Government revenues. Though not an OPEC member, Oman nevertheless benefits from OPEC pricing decisions. Thus oil receipts jumped in that one year alone from \$226m. to \$1.02bn.—opening up vistas of a completely different scale of development. The result was soon visible. Fledgling Ministries produced schemes without consultation, contracts were agreed without proper legal safeguards, money was spent without any clear knowledge of the country's resources, thus encouraging foreign companies to move in for a fast buck (with local merchants quick to join the bandwagon).

The lack of budgetary control was evident in the adjustments to expenditure in 1974. Initial expenditure was put at RO201m. (\$663m.), was then revised to RO247m. but actual expenditure ended up at RO365m. Imports jumped from RO85m. to RO245m.—a good deal of this being accounted for by defence equipment as Oman was then in the midst of the Dhofar war.

Maybe the uncontrolled situation in 1974 would have altered with less prompting. But undoubtedly a very toughly worded report by two British merchant banks, Morgan Grenfell and Hambros, played a part. The report bluntly told the Government that no commercial loans could be granted—and Oman was considering going to the market—unless its economic house was put in order. Though a shock at the time the report was a catalyst for the introduction of a whole host of decrees and laws reorganising the Government.

Many of these were laws governing such fundamental elements as defining the general rules for the conduct of administration. As part of the reorganisation of government that took place a seven man Development Council was set up presided over by the Sultan to control and monitor economic development. Also on the organisational level the U.S. consultants Arthur Anderson were brought in to assist Ministries in drawing up standardised accounting and budget procedures. This process of reorganisation continues.

More immediately obvious has been the economic slowdown over the past 18 months. Credit has been tight, few new contracts have been awarded and the main economic thrust has come from the completion of existing infrastructural projects, defence expenditure and investment in the oil industry.

Imports this year are expected to be almost unchanged at RO390m. (RO380m.). Economic activity is reflected in the sharp fallback in cement imports. At the height of the boom these were running at 600,000 tons a year. Now the Ministry of Industry reckons imports are half this amount.

From the Government's point of view there are encouraging indications that some lessons of financial discipline are being learned. The 1975 budget was underspent by 8 per cent. The Directorate General of Finance estimates that this year's budget (fiscal year ending in December) will also be underspent, though by a smaller amount. It will be about RO10m. below the RO591m. estimate. However, it is hard to tell whether this represents shelved and delayed projects or better management.

Despite this slowdown, the Government has been obliged to support an increasingly heavy amount of recurrent expenditure. This has meant a heavy budget deficit. In 1975 the deficit amounted to RO108m. (\$356m.)—put another way revenues covered expenditure 80 per cent. This year the deficit has been put at RO85m. on the latest estimates.

The deficits have been covered by a mixture of soft loans from Arab States, direct grants and a strictly limited amount of local borrowing. Soft loans for 1975 and this year are expected to total RO148m. (\$488m.) while grants will be in the region of RO117m. (\$388m.). The Government had to finance only Ro.13m. of the deficit last year and this year it will have to find Ro.16m.—to be financed via a loan from the Central Bank. Without this external budgetary support, Oman would have been very hard pressed.

BASIC STATISTICS

Area	82,000 sq. miles
Population	770,000
GNP (1974)	RO 220m.
Per capita	RO 298
TRADE (1975)	
Imports	\$668m.
Exports	\$1.38bn.
Imports from U.K.	£98m.
Exports to U.K.	£114m.
Currency: Rial	£1=RO 0.54

Saudi Arabia has been the most generous. Last year it provided \$100m. in grants and a further \$100m. seven-year interest-free loan (although only \$40m. were utilised). This Saudi assistance was used to pay off a \$100m. short-term loan contracted in 1974 with the BBME. Abu Dhabi also provided about \$100m. in grants last year—spent mainly on defence.

The authorities have been anxious to restrict foreign borrowing and prevent the accumulation of a heavy debt burden. As it is the debt service ratio is about 7 per cent. There is little desire to finance development through commercial loans. Nor for that matter does Oman wish to depend heavily upon Arab charity. This was a prime motive for the restrained tone of the Five Year Plan.

The plan envisages that RO2.39bn. (\$7.8bn.) will be available in revenues. Of this 93 per cent. represents oil revenues. Total expenditure will be RO2.79bn. (\$9.2bn.). Thus Oman will be looking for RO409m. to cover the revenue gap. The estimate of oil revenues is conservative, for it is based on 1976 prices. Moreover it includes only a small increment from new wells, while accepting a 30 per cent. decline in the present wells (owned and operated by Petroleum Development, Oman).

This relative decline will affect value added in the transport and construction sector but hopefully will be offset by increases in private investment in agriculture and fisheries, and more importantly manufacturing. Overall it is hoped that GNP will increase by 12.6 per cent. over the five year period while GDP valued at market prices will increase by 6.3 per cent. Since the economy is dominated by oil (it represents 68 per cent. of GDP) this growth rate is not as modest as it might appear on the surface.

Targets

Those responsible for the plan have kept the targets conservative because there are so many imponderables. Here are some of them.

Oil prices over the next five years could rise sharply. ElF's offshore field at Musandam could prove commercial and be brought into production before 1980. The heavy crude discoveries of PDO in Dhofar could be brought on-stream. Arab money could always be tapped—whether in the form of outright grants or soft loans, thus eliminating the need for commercial loans in the international markets. All these elements are possible and could easily happen.

But as a counterweight there are two vital considerations. First, much will depend upon the Government's ability to control current expenditure. In the plan projections all expenditure is shown to fall off from peak investment during this year, with the exception of current expenditure. This will rise from RO103m. to RO163m. Few believe that current expenditure can be kept even within these limits, especially given the high cost of infrastructure maintenance towards the end of 1979-80.

Secondly, annual defence expenditure is projected to decline sharply during the five-year period, from RO275m. to RO144m. This is explained partially by the lower outlay anticipated as a result of the ending of the war in Dhofar, partially by the removal from the defence budget of certain civilian expenditure in Dhofar and finally by a slowdown in hardware procurement.

At present defence and national security (the police) take up 42 per cent. of current and capital expenditure—a high figure by any standards, even for a country which has been in a state of emergency fighting a war. The hope is that by 1980 this percentage will be cut to 29 per cent.

The bulk of defence expenditure is in foreign exchange. Thus any cutback or even levelling off of this exenditure item would ease the balance of payments. Defence imports account for 43 per cent. of total imports, and clearly are a factor behind the current account deficit in the balance of payments. Last year this stood at RO90m. This year it will be cut to RO17m., according to the latest Central Bank projections.

It would be surprising if Oman were able to cut defence expenditure as planned. For the moment it would be safer to include greater outlays here as a counter-balancing factor to any increases in oil revenue. On the other hand thereis already evidence that Ministers are treating the plan figures seriously, indeed using them as a strict guideline.

The plan itself does not pretend to solve any of Oman's fundamental problems, but rather to point economic development in the right direction. The population is still perhaps 80 per cent. rural, living off subsistence agriculture. The size of the population itself has not been determined and any census would be difficult since so many communities are living in isolated mountain areas. The World Bank estimates the population at 750,000. Others familiar with Oman reckon the population to be as low as 550,000. But officials familiar with a sample census of five towns carried out by UNESCO say the population is nearer 1m.

Manpower

Certainly Oman is one of the most populated of the Arabian peninsula States, coming after PDRY, Yemen and Saudi Arabia. But the population has no modern skills and is seriously short of trained manpower at all levels. As much as 65 per cent. of the labour force—and more in the construction sector—is non-Omani, mainly Indian, Pakistani and Baluchi. The other countries in the peninsula which depend, often to a greater degree, on imported labour and skills have a higher per capita income than Oman's (\$1,400) and have a greater margin to manoeuvre.

On the other hand Oman does have the potential longer term, despite a lessening dependence upon oil, to have a more diversified economy. It does have an agricultural base—even though it has been neglected until now in favour of necessary infrastructural projects. Though more research is needed, there is water, not merely in the fertile Batinah plain north of Muscat but also in the interior round Nizwa and then in the south, round Salalah. It also has a substantial potential in untapped fishery resources.

Moreover, it does have sufficient supplies of gas for industrial purposes. A contract is about to be awarded for the construction of a gas pipeline which will provide enough gas for a proposed industrial estate on the coast north of Muscat.

Equally important, officials are convinced that Oman can become a copper exporter, albeit on a small scale. Plans are now being finalised to exploit three mines in the interior behind Sohar. Within two years it is expected that a smelter will be producing 2,000 tons a month from 3,500 tons of ore per day. There are also other minerals like coal, chrome, manganese and asbestos.

This is the potential. But Oman cannot afford to be extravagant as it has been, unless it wishes to depend on Arab charity.

Robert Graham

FOREIGN POLICY/DEFENCE

A stance of its own

THE PRESENT Sultan's father was deliberately, even obsessively, isolationist. He relied on British military and political support to protect Oman's interests and never bothered about Oman's role in the Arab world. Though in six years Sultan Qaboos has brought Oman much more into the mainstream of Arab politics, Oman remains essentially an outsider in the Arab world, unafraid of the shibboleths that traditionally bind Arab policy. Oman is the last of the Arab governments still to accept—indeed want—an important British military presence and a residual British political influence. Oman is also the only Arab country to have invited a non-Arab neighbour, Iran, to assist in fighting a local guerilla war.

Situated as it is at the easternmost edge of the Arabian peninsula Oman has never really looked towards the Arab world. Rather have its traditional trading interests faced towards the east coast of Africa, India and the Far East. It was the Omani traders and sailors who went as far as the spice islands and brought cloves back to Zanzibar. And to-day, especially in Dhofar province, there is ample ethnic evidence of this African connection. Thus even with the Arab involvement in the Palestinian problem and the conflict with Israel, Oman's basic focus is with its immediate neighbours and then towards the Indian Ocean littoral.

Since Sultan Qaboos came to power in 1970, the prime concern has been with the rebellion in Dhofar and relations with the PDRY, which supported the rebels. Oman now has the chance to be less preoccupied in this respect. In March, under strong Saudi pressure on Aden a cross-border ceasefire was arranged and, at least in theory, the PDRY agreed not to provide further support for the Marxist-orientated guerilla movement inside Dhofar. This Saudi negotiated stand-off was only possible once the Sultan's Armed Forces (SAF) had established full military control of the province—which was achieved by late December, 1975.

Rebellion

The changed situation in Dhofar and the cessation of hostilities along the PDRY border have together produced a number of important consequences. Arab Governments had always found the Dhofar rebellion something of an embarrassment. Saudi Arabia, while privately supporting the Sultan's efforts to stamp out what was seen as a Communist-inspired rebellion, was a good deal more ambiguous in public. Kuwait was positively cool towards Oman and pursued a conscious policy of providing project loans to the Aden Government, and ignoring Oman. The more radical States like Algeria, Iraq and Libya ostracised Oman for its dependence on "imperialist and colonialist" support. (Jordan was the sole Arab State to send military aid. A special forces unit was sent for almost one year in 1974 and an engineer squadron still is in Dhofar.)

The Saudis have suddenly in the past few months been more forthcoming in public—King Khaled visiting Oman at the end of March, the first such visit by a Saudi monarch. Kuwait has now agreed, through the KFAED (Kuwait Fund for Arab Economic Development) to finance a social project in Dhofar and has also placed a \$25m. deposit with the central bank. Meanwhile diplomatic relations with Iraq now exist at Ambassadorial level.

With a more peaceful situation in Dhofar, Oman is likely to pay more attention to its northern borders, sorting out for instance once and for all the disputed area round the Buraimi oasis. The Saudi-Abu Dhabi agreement on Buraimi excluded the Omanis and Oman feels that they have been trying to carve up Omani territory. The dispute itself is not terribly significant but underlines the fact that Oman does not have properly defined frontiers on any of its borders, although with a few exceptions like Buraimi the present lines are accepted.

Policing

A more important consequence is that SAF will now probably devote more attention than before to policing the Gulf waters especially (the vital Straits of Hormuz are part Omani). By the same token, more attention is likely to be given to building up a navy. This is implicit in the reorganisation of SAF due to take place in March, 1977. From then on there will be separate wings for the air force and navy—with the three forces co-ordinated by a joint chiefs of staff committee.

Of course Oman's main preoccupation remains the PDRY. The Saudi intention was to recognise Aden and through large-scale financial assistance tempt the Government away from its pro-Communist and anti-imperialist stance towards accommodation with the conservative regimes of the Arabian peninsula. In March the Saudis reportedly offered some \$400m. to the PDRY, at the same time promising to help finance the development of Dhofar.

If PDRY complies at all with this scenario it is going to be a lengthy process. The general belief is that PDRY will content itself with not offending the Saudis (for the moment), but will do nothing positive towards normalisation of relations. The border ceasefire has been effective since the end of April, but hostile propaganda has not stopped. Much will depend on developments inside Dhofar itself. While in PDRY much will depend upon how long, and at what level the presence of Cubans, East Germans and Russians continues.

The Cubans are mainly concerned with training the militia. The East Germans run the PDRY intelligence service and police while the Russians provide the more sophisticated hardware (artillery and aircraft) and train Yemenis in using it. The Russians are hardly likely to abandon a foothold in such a strategic area.

The British military presence and that of the Iranians is clearly intended as a foil by Sultan Qaboos. He can justify the presence of the Iranians in particular by saying they are there to counter-balance the Cubans and East Germans. There are two battalions of Iranian troops, plus logistical air support and an Iranian-manned air defence system. In all this amounts to some 3,000 men.

The Iranian presence is a source of contention with other Arab governments. This is especially the case with Saudi Arabia, which cannot help feeling that Iran is encroaching on what is a Saudi sphere of influence. Despite this sentiment the Saudis recognise at another level the continued need for an Iranian force—or the equivalent (and no Arab government seems willing or able to do this). So the Iranians are likely to stay. In any case a residual Iranian presence must continue at least until Oman's Rapier air defence system is installed. Rapier is due to be installed at the end of the year.

Oman is the last Arab State where Britain has retained an air base and an active military presence. The gradual winding down of this presence has come not from Oman but from Britain—conscious now that it has commitments without any real control over political events. Thus as of next March the RAF will hand over the island base of Masirah and the running of Salalah airfield in Dhofar.

Masirah Island, once a staging post in the chain running from Akrotiri on Cyprus through Gan to Singapore, will become a pilot training base. The 300-odd RAF personnel currently there will be wound up, with some staying on to help with the training school (the BBC relay station on the island will be allowed to continue). Salalah will also be handed over but to a civilian administration. Originally when Britain had sought a staging post at Masirah, the former Sultan had agreed on condition that Britain ran Salalah. Thus only a "peppercorn" rent was ever paid for Masirah.

The future of Masirah's facilities, beyond the air training school, has yet to be decided. Oman feels independent enough from Arab opinion to make up its own mind about use by third countries. Will the Americans move in after the British leave?

When the Sultan visited Washington two years ago the issue was raised by the U.S. but nothing more was said. The Omanis are anxious that British withdrawal should not leave a vacuum, and naturally they look to the Americans. In strategic terms it clearly suits the U.S. to be able to use Masirah for surveillance of the Indian Ocean. On the other hand the American Administration would not tolerate anything that resembled a "base" with U.S. personnel on the ground.

The Ford Administration never evolved a coherent policy towards the Indian Ocean and it is unlikely to be a high priority on the Carter Administration's list. In the meantime the Omanis have indicated that they would permit occasional use by friendly countries on request.

Even with the handing over of Masirah and Salalah next year, the British military presence will be significant. The Sultan himself seems happy that this should be so. He recognises that Oman is still very short of officers and skilled personnel, especially in the air force, and the only way to have a viable fighting force is to rely upon seconded and contract personnel.

Thus the senior officers throughout the armed forces are seconded British officers, there with the British Government's consent. This even applies to the Firqat—the irregular para-military forces which operate in basically tribal groupings within their respective tribal areas in Dhofar. It also applies to the two Baluchi regiments recruited from Baluchistan (a right the former Sultan was able to continue when in 1968 he sold a small piece of Omani territory on the Pakistani coast to Pakistan). There is now a total of eight Omani officers of colonel rank and perhaps within two years an Omani will be placed in charge of the armed forces.

The British Government is likely, however, to scale down the number of seconded officers: the present ratio of seconded to contract officers and NCOs is roughly one to three in the total of 450 men. The purchase of the Jaguar strike aircraft binds Oman to rely on an all-foreign piloted air force for some time to come, and the air force contains the bulk of the British personnel.

The direct British assistance to Oman consists of an engineer squadron, a large field surgical unit and elements of the Special Air Service (SAS). The British Government has been most sensitive in the past about the SAS presence. They have played a key counter-insurgency role despite their rather euphemistic sounding name in Oman of BATT—British Army Training Team. Perhaps it is no accident that their presence has been scaled down since the end of the fighting and their strength is said to be now as low as 12.

R.G.

هكذا من الأصل

BANKS

System in its infancy

BANKING IN Oman can hardly be described as sophisticated. Yet in certain respects it has more in common with banking in the developed countries of the West than have the older and bigger banking establishments of some of the other Arabian peninsula countries.

First, it does not have anomalous regulations regarding the payment of interest and/or foreign exchange transactions which have made the banking systems of Kuwait and Saudi Arabia each in its own way unique. Secondly, and possibly more important, in the Omani banking system there is not the big surplus of cash which is seen at times in all of the other Arabian peninsula oil States, and which in Kuwait is a permanent feature.

The consolidated balance sheet published in the Central Bank's quarterly bulletin shows that in June this year the banks' local lending, including commercial bills and mortgages, came to RO185m., while deposits of residents, including the Government, came to RO125m. The gap was bridged by RO62m. due to head offices, branches and other external banks. Part of the money due to branches was borrowed from offshore banking units in Bahrain.

The shortage of domestic funds has had an effect in stimulating the beginnings of an inter-bank money market—without any of the rather artificial promotion by official institutions that has been tried recently in other Arabian peninsular countries, where the banks have hitherto had to keep most of their liquid funds in the London market.

The Oman money market is still in its infancy, dealing only in cash deposits—yet in view of its expansion prospects one of the banks, somewhat optimistically perhaps, is already employing a full-time dealer. So far there is no market for paper (the Central Bank does not offer discount facilities) and indeed the organisation of lending is such that very little discountable paper has come into existance. In the next two or three years, though, assuming that the Central Bank is given the job of managing all of the State's debt, there may be an issue of marketable Government securities. There is a substantial borrowing requirement written into the five-year plan.

The development of the money market has been helped by there being a useful number of banks in Oman—about 20, including one or two which have licences but have not yet begun operating.

In Government circles there has recently been a debate over whether more banks should be allowed into the country. On one hand it has been argued that because the banks in Oman have come to lend rather than borrow money it is in the country's interests to encourage the arrival of as many institutions as possible. On the other, there have been those who claim that if too many banks establish themselves there will be over-intense competition, leading to a drop in profitability and a slowing of branch expansion. It is this latter group that appears to have won the day, at least temporarily, because the Central Bank has now decided that no more banks will be allowed in until the merits and demerits of a continued expansion of numbers have become clearer.

Leader

Among the twenty-odd banks operating at present the British Bank of the Middle East (BBME) holds a dominant position. Established in 1948, a full twenty years before any other bank appeared in Oman, it is markedly conservative in its operations (a characteristic which appeals to established merchant houses throughout the Arabian peninsula), and it holds big Government accounts. It has also been a major lender to the Government—as has the Arab Bank, the other bank in Muscat with Government accounts. The report it prepared with Hambros and Morgan Grenfell in early 1975 on the Sultanate's financial condition and prospects seems to have had a significant effect on the Government's policies since.

Not surprisingly, the BBME accounts for about three-quarters of clearings by value—but its position is not so strong that it has inhibited competition in the country. Without there being an actual rate war, competition among the banks during the past two years has been quite tough. At present the banks are paying 8-8½ per cent. (and in some instances 9-9½ per cent.) for one-year deposits, while they are lending at 9-14 per cent. for property development ventures (compared with 15-20 per cent. at the height of the property boom) and at rather lower rates for import finance.

Apart from loans to the Government, the big areas of bank lending are trade, project finance (where the borrowers are foreign contractors engaged on government development schemes), and property development. In March this year the banks' consolidated statement showed 35 per cent. of loans being accounted for by the Government, 29 per cent. by the import trade (which would include some of the project finance), 12 per cent. by construction (project finance and property development) and 13 per cent. by personal loans.

In practice a lot more money will have been lent for property development than these figures suggest. The purposes of loans are generally categorised according to the items on which the loans are secured, which means that money borrowed against stock but used for property development will be classified under trade—whether the bank is told of the borrower's true intentions or not. It also seems that a lot of "personal loans" are invested in property.

A year ago the amount of money borrowed for property development was even greater than it is now. At the height of the property boom in Oman developers, often armed with pre-lease agreements, could borrow 100 per cent. of the funds they needed for building and would sometimes ask for finance for the cost of their land as well.

In recent months, with the distinct downturn in the market, the banks have become much more cautious. Apart from refusing to give 100 per cent. finance, they are being more critical of the poor standard of would-be borrowers' feasibility studies—which have generally been backed only by documents proving title to the land to be built on, some not necessarily very good architects' drawings, and a contract from a builder stipulating the payment of a lump sum without any explanation as to how the sum has been determined.

Caution

The banks' present caution is reinforced by the knowledge that debts in Oman are not easy to recover if the borrower defaults. As security for property development loans borrowers normally offer a mortgage agreement, a document assigning rent to the bank, and the registration of their debt with the Shariah Court—but if a debt recovery case is brought under Shariah law the Court will often deduct interest, both paid and due, from the amount owing. The Ministry of Commerce, which will arbitrate in a more modern commercial manner (the principle of interest being recognised in Omani commercial law), has in practice only limited authority when it comes to settling disputes over large sums of money.

The volume of the banks' lending for property has been watched carefully by the Central Bank, which began operations in April, 1975, when it took over from the Oman Currency Board—traditionally run by management seconded from the British Bank of the Middle East.

As a supervisor of the commercial banking system, the Central Bank is already very active. It is not, admittedly lending directly to the commercial banks as yet, though as it points out, none of the banks has so far needed to call upon the Central Bank for funds, and if a foreign bank in Muscat did need money it would normally be referred to its head office.

It also feels that in no[…] circumstances the adoptio[n of] an active lending or disc[ount]ing role would stim[ulate] renewed inflation—though [in] cases where it has known [that] a bank has needed money [for a] specific loan which has [pre]viously been going to hav[e an] anti-inflationary effect [by] expanding the supply of g[oods] and services as oppose[d to] financing additional cons[ump]tion) the Central Bank has [referred it] to that bank's head [office] abroad.

For the purpose of [main]taining an adequate lev[el of] liquidity in the Omani sy[stem] the Central Bank has s[o far] relied on the manipulati[on of] particular ratios, plus per[suasion.] persuasion. At present th[ere is] in force a reserve ratio of [...] cent. and a lending ratio [...] (formerly 80) per cent.—t[hough] the Central Bank appa[rently] takes a sympathetic view [when some] of the bigger and longer [estab]lished foreign banks [trans]gresses these limits. Tha[t is] also takes a liberal view [of the] regulation which states [that a] bank may not lend more [than] 10 per cent. of its capita[l and] reserves to a single bor[rower,] allowing the bigger f[oreign] banks to interpret th[is as] applying to the net ass[ets of] their whole group.

In its other role a[s the] Government's bank, the C[entral] Bank has developed its act[ivities] more slowly. On a small s[cale it] has lent to the Governme[nt and] it now acts as guarantor [for the] Government's new overse[as bor]rowings, but it does not [hold] the bulk of the State's mo[netary] reserves.

That part of Oman's [...] assets in gold and foreig[n cur]rencies held by the Centra[l Bank] is earmarked to cover th[e cur]rency. It is a slightly sa[d sign] of the Sultanate's mo[dernisation] modernisation that the [Maria] Theresa dollars formerly [used as] currency backing have th[us] been sold off as silver [...] and replaced by gold, [which] takes up less room in the [...]

Michael [...]

URBAN DEVELOPMENT

Caught in the rush

BEFORE 1970 permission to build a property in Oman was an honour bestowed on only the privileged few who were fortunate enough to be favoured by the ultra-conservative former Sultan.

Consequently the change of regime six years ago prompted a pace of development probably unprecedented anywhere in the world to establish the basic amenities of a modern state, as well as to provide accommodation for the vast number of Omanis returning from exile.

As the already populated areas of Muscat and Muttrah are both almost completely encircled by mountains, the main thrust of urban development took place in the desolate Ruwi Valley, which has since become a bustling residential and commercial centre with its fair share of traffic jams at peak travelling hours.

From there development has straggled out as far as Seeb airport, some 35km away from Ruwi. And although so far growth has been spasmodic and huge stretches of desert land still exist, plans are to create in Qurum an area comprising hotel and leisure centres, ministries, embassies and luxury residential dwellings, some of which have already appeared. In addition it is proposed to develop another conurbation further towards Seeb at Azaiba and more low-cost housing schemes for Omani nationals elsewhere.

Once the country had opened up, it was not surprising that hardly any businessmen could resist the temptation to enter the real estate market. All assumed demand would continue to exceed supply, it was possible to obtain finance on overdraft and investment was amortised in two years, or three at the outside. Moreover, as tenants were signed up—paying at least two years' rent in advance (on occasions four years) before the building was completed — developers were able to reimburse the banks virtually the day the contractor handed over.

The result was that land prices by 1974 had rocketed to RO11 per square foot in Muttrah from a maximum of RO1 in 1972 and small fortunes were amassed overnight by, for example, buying from the Government for as little as RO3,000 and selling immediately for RO70,000. At the same time property prices escalated and rents soared to up to RO750 a month for a modest three-bedroom flat.

However, few dispute the premise that the market has reached and passed its zenith and will probably not regain such artificial levels in the foreseeable future. The slowing down of the economy has meant that fewer expatriates than previously anticipated have come to Oman, so that currently many residential properties stand empty. Rents, according to one broker, have come down this year from an average of RO425 to RO350 a month for a two-bedroom apartment and from RO550 to RO400 for a three-bedroom apartment.

Cash flow problems can lead to even greater decreases, as illustrated by the claim that one developer has dropped the rent asked from RO700 a month to RO350. In addition, no tenant has now to pay more than one year in advance for property of any kind, though leases are invariably longer.

The turnround in the market is further underlined by the prestige residential development of Medinat Qaboos. Although all the houses have been let in the east section, where rents are relatively low, the west is being built and sold to order—and whereas the plans drawn up in 1973 called for 500 houses by this year, so far under 200 are completed.

Stability

Apart from the lack of customers, two factors have combined to help introduce a measure of stability to the situation. Land speculation has been eradicated as far as possible by a ban imposed earlier this year on the private sale of plots bought from the Government until developed for the purpose for which they were acquired, and banks being selective about the projects they are prepared to finance almost to the point of non-existence.

And despite building permits in the Muscat area being currently issued at the rate of 300 a month, considerable areas of allocated land remain unexploited and the predicted shift of construction spending from the public to private sector is not expected to show for at least another 12 months or so.

Up to now development has leaned heavily towards residential property — purpose-built office space is a rare commodity, apart from multi-use premises which usually comprise showrooms, a suite of offices and several storeys of apartments on top. In several cases either the developer or tenant company has converted houses or flats into offices and although some of these are also empty, prices have apparently to take a downturn. Nevertheless, buildings in the process of construction are being reduced in height against the original plans, according to informed sources.

All this places a question mark over the likely timing of a development which is one of the most elaborate and ambitious Oman has attempted so far. It is a central business district of 1½km. by ½km. on the site of the old airstrip in the Ruwi Valley. The aim is to attract banking head offices, a national theatre, shops, department stores, a municipal food market, a trade centre, as well as other office[s and] housing.

Altogether approximat[ely ...] buildings are envisaged [...] controlled by strict regu[lations] on the number of store[ys and] their appearance. All p[lots of] land have been allocated [by the] Government and three [have] been or are in the pro[cess of] being developed, but no b[uilding] building permits are no[w being] issued until the infrastr[ucture] plan is finalised. This [...] with the current p[...] co-ordinating the install[ation of] essential services w[...]

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Imports begin to stagnate

OF the numerous con- aces of the development has been Oman's ap- tly insatiable appetite for of all descriptions. ts increased by a pheno- nine times between 1971 975, from RO40m. to an ted RO344m., but as ers have been anticipat- r some time, the pattern being replaced by one gnation or at least level- ut and prospects are for line over the next half-

s Five-Year Plan for 1976 980, the Development l forecasts that the market will shrink by 33 per cent., the value ital goods dropping by than half and consumer by around 15 per cent. will to an extent be ed by new local indus- nd higher food output ng import substitutes in key areas as overall iption is expected to go around 10 per cent. over iod.

ite a consistent balance nents deficit since 1972, trade account has ed in surplus during years apart from 1972 73—and anyway, officials ut, the figures may well ppeared on the wrong the line because the oil of Petroleum Develop- Oman's) foreign partici- y-pass the local banking

plan, which allows for istortions in its calcula- nvisages a growth in the of net exports at 1976 rom RO60m. to RO179m. the slide in imports and in the now negligible exports more than com- ng for the fall in oil

pears the relative slump eady begun. Admitting rnover in many major categories is down this er last, some merchants that the value of im- luring the current 12 will at best match the vel and as a proportion will be the result of and higher freight volume will inevitably r. This is an optimistic view of the situation, because if imports start to climb again, they would serve only to aggravate the present difficult stock position.

Many traders openly acknowledge they are carrying heavier stocks than they can readily find buyers for and although there are various theories as to which products are the main culprits, those most often quoted are building materials, mechanical plant, passenger cars and other consumer durables.

All of them are logical under prevailing economic conditions. As virtually no major projects have progressed beyond discussion stage for some time, demand for construction equipment and materials has slackened. It follows naturally that the influx of foreign labour has lessened and with it demand for consumer goods, which is widely recognised to come largely from the expatriate community.

Exception

The exception to this chain of events is the southern region of Dhofar, where the emphasis of development will be concentrated from now on. This offers new opportunities to Muscat's merchant community, which is dominated by under a dozen companies, accounting for probably over threequarters of Oman's imports.

It is difficult to assess from the discharge figures at Port Qaboos exactly how far traders have reacted to apparent market forces as last year vessels could wait up to 45 days to be unloaded. In October 1975, a second daily shift was introduced and now only ships carrying bagged cement are left at anchorage for any longer than a couple of days. However, experts believe the volume handled at the moment would generate a maximum waiting time of 10 days on a single daily shift, so evidently there is a cutback in overseas orders.

Cement and passenger cars seem to be excluded from this generalisation. But although car registrations are up on last year and no less than 11 vehicle ships discharged at the port in the past two months, most distributors believe the market has reached saturation point for the present and some have clearly been trapped by a commitment to import an increasing number of units each year under the terms of their agency agreements.

In many cases, this has prompted dealers to absorb suppliers' price rises and to offer heavier discounts and more generous HP arrangements. None of this was necessary a few years ago, when goods would command almost any price that was named.

But since the initiative now lies firmly with the buyer, with the probable exceptions of fast moving and luxury consumer items, merchants forecast that success in the future will be achieved by those who provide a full back-up service for their products and specialise in the sectors they know best. As one so aptly described it, the days of sell it and forget it are over.

However, not only market forces are responsible for this about-turn. In September last year, the law stepped in to ensure that spare parts represent 10 per cent. of the cif value of all machinery and vehicles imported for sale. As there are so far no regulations to protect authorised agents from their brand of goods being brought into Oman by other traders (this is due to change shortly), dealers were in the past particularly deluged with requests for spares they could not fulfill.

Official import figures provide only a broad guideline to the composition of the market as only between a half and two-thirds are recorded. Until July 1973 duty-free goods were excluded from the records and they comprised all imports by Government contractors, departments and oil companies, which represented the majority. Since then only some Government departments have remained outside the official data-gathering system and these, consisting largely of Defence and Police, accounted for more than RO110m. last year.

Over the past 18 months or so the gap between public and private sector imports has widened considerably. In 1974 there was a differential of only RO25m., whereas in 1975 the Government brought in RO90m.-worth of goods to the private sector's RO234m. and during the first half of this year the split was RO45m.-RO107m.

Taking the overall figures and assuming all recorded imports were either investment or intermediate goods, the share of the total held by consumer goods remained steady between 1971 and 1974, fluctuating marginally from 14 per cent. to 19 per cent., while on the same comparison for recorded imports, the category registered a sharp decline over the period from 53 per cent. to 35 per cent. and capital goods rose substantially from 30 per cent. to 49 per cent.

This reflects the massive construction programme of the past few years as machinery and transport equipment has consistently represented the largest proportion since 1973, peaking at 41.5 per cent. with RO95.7m. last year.

Customs figures show the ratio remained about the same during the first six months of this year, but perhaps a more reliable indication of the construction industry's requirements is provided by Port Qaboos. Despite congestion, a total of 21,600 tonnes of plant and machinery was unloaded between January and August 1975, whereas the volume amounted to only 12,600 tonnes over the same period this year.

However, the comparable figures for cement and timber would appear to prove the opposite case as both went up, but the fact that some of Oman's major trading firms either express relief at not being involved in the building materials market or are proposing to scale down their involvement considerably suggests there will be a continuing oversupply situation for some time unless there is an unexpected spate of new contracts.

Oman is one of the few exceptions to the widespread pattern of Britain slipping from her position as leading trading partner. Only in 1973 and 1974 was the U.K. overtaken and that was by the United Arab Emirates, which was used extensively as an entrepot centre. This was due to the lengthy waiting time in Muttrah and lower prices over the border, but both these factors have reversed subsequently. Duty for most goods is 2 per cent., there is no surcharge and now there are reports of UAE merchants buying in Oman and transporting their purchases overland.

Dominant

Apart from the two year artificial break, Britain has remained on top, her share of the recorded import market never falling below 17.5 per cent. since 1971 and gradually strengthening to pass the 20 per cent. barrier in the first half of this year with a total of RO22.3m.

In addition, Western Europe as a whole is maintaining a steadily dominant position with over 40 per cent. of the market, while Japan, undoubtedly thanks mainly to a major push in the car market, increased her share from 8 per cent. in 1975 to nearly 15 per cent. during the first quarter of this year and the U.S. became a leading supplier in 1974 with 7.8 per cent. increasing to 9.6 per cent. last year.

Yet despite its strong position in Oman, the U.K.'s trade balance with Oman went into deficit for the first time in 1975, when imports outstripped exports by £16m. Although British sales, which include defence items, more than doubled from £43m. in 1974 to £98m., the value of imports rose even more steeply from £32.8m. to £114m., as crude oil shipments nearly trebled from just under 1m. tons to over 2.7m. tons in 1975.

Nevertheless, Oman has slipped a long way in the league table of British customers in the Middle East. Last year it occupied sixth place in the January to August figures, whereas this year it fell to 11th, being superseded by Algeria, Egypt, Kuwait, Sudan and Abu Dhabi.

The British are thought unlikely ever to make much impact on the passenger car market, but may continue to reign supreme with commercial vehicles and other goods for some time, even though criticisms of the product not being tailored to requirements is heard frequently and the lackadaisical attitude of some visiting executives is said to do little to inspire confidence in the local business community.

Barbara Casassus

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of all new buildings in ital area.

often said that the rate lopment left the town s behind. There is a eal of truth in this re- financial resources were ed in the past that land cated and private deals ed in areas where no controls existed.

now the Ministry of fairs and Municipalities verstretched in coping iscat and its environs. it intends to increase next year in order to the coverage to the in- d the coast. This month nts Llewellyn Davis start rm contract to co-ordin- n planning throughout anate.

otable feature of Oman's nstruction programme, as consistently ranked to oil in the Gross Product since 1971, has impressive line-up of onal contractors, most have been engaged exclusively in Government work. But as public capital spending is falling, many companies have pruned their workforce considerably and now have to decide whether to form a local company with an Omani partner to enable them to operate in the private sector.

While competition for new contracts is becoming increasingly stiff, it is generally thought the emphasis in the future will be more on the quality of construction than its quantity, and greater efforts to provide what the market requires in terms of accommodation. It is for this reason that several property developers do not regard the present situation primarily as a sign of economic adversity, but rather as a means of bringing some order to a sector that has in the past generated excessively high profits and therefore a level of investment disproportionate to the country's needs.

Barbara Casassus

HEALTH AND EDUCATION

Dearth of facilities

NOWHERE IS Oman's backwardness more evident than in the fields of education and health. Well over 90 per cent. of all males are believed to be illiterate, while the percentage of females who can read and write is probably *no higher* than 2 per cent. The dearth of health facilities can be gauged *from just one fact; there are* little more than 350 nurses and midwives for a population of *some 750,000.*

Yet to quote statistics baldly like this misses the point. Oman sadly lacks an infrastructure of social and educational facilities —that much is true. But the strides made in six years have been enormous. Though emphasised elsewhere in this survey, it needs to be stressed here again that in 1970 at the time *of the overthrow of the previous* Sultan, health and educational facilities were virtually non-*existent.* The *services that have* been built up since then have come from scratch with no real experience *and a very limited* overall infrastructure to assist. Thus all judgments—and it would certainly be unfair to be harsh in this context—must be made against this background.

In 1970 there were no more than 900 students, all male, in three schools with 30 teachers. The previous Sultan, in deliberate defiance of any *modernism, was bent on limiting* education. In Dhofar province in the south, for instance, the one school at Salalah had its annual intake of 25 boys hand-picked by the Ruler. The only means of acquiring education was by going abroad. Frequently this meant that students had to be smuggled out of the country in dhows to Abu Dhabi.

Thus in general *only the sons* of the wealthy could really obtain a proper education prior *to 1970.* The consequence *has* been a very thinly spread educated class—a situation which no amount of money and effort can change in the short term.

Following the former Sultan's overthrow there has been a sudden opening of the doors. For the first time in Oman's history girls have been allowed public education in schools. Now roughly one-third of all pupils are female. Last year a total of 55,752 *children* were in school and during the current academic year this will rise to 65,000. The first batch *of male* students graduated this year from secondary school and girls will follow next year.

Emphasis

Until now the emphasis has been on trying to bring education to as many as possible in the shortest time. A substantial portion of the schools have been impermanent buildings—frequently just large conical tents with benches and a blackboard staffed by Jordanian or Egyptian schoolteachers. *But given the* isolated nature of the villages and scattered communities, schools have grown up where communications are best and much of the interior remains untouched.

The Ministry of Education is now reassessing its priorities. There are three main areas where it will concentrate. During the next five yeas it will convet the temporary premises into more permanent structures. Already the Ministry has drawn *up a standard module design* of a classroom and administrative complex. Secondly, the *Ministry has laid down an aim* of achieving a minimum basic education of nine years for all Omani school-children. This will consist of six years of primary education and another three intermediate years. Then as the system evolves the primary/intermediate school will also incorporate secondary education which would last for another three years for the brighter pupils.

Thirdly, the Ministry is working *on* a *proper* curriculum specifically orientated towards Oman and Omani culture. *Special emphasis is being placed* on learning skills, with only 70 per cent. of students being academic.

Omani Officials say that religion and religious study will be an important part—especially so long as a determinedly Marxist government exists in neighbouring PDRY. But the officials point out that the religious emphasis will not be as strong as in, say, Saudi Arabia.

Added to this the Omanis will seek to develop a proper primary teachers' training college. This will be done with World Bank assistance. *The Ministry* would like to be more ambitious but its hands are tied. Funds are not limitless. More important, it cannot establish effective education in isolated areas without a proper or even a half-developed infrastructure. Finally the supply of its own teachers is very limited. Over 90 per cent. are brought in from outside.

The scarcity of potential teachers can be gauged from the first group that graduated from *secondary school this year.* There were 74 in all. While currently there are 374 studying abroad in various institutes and universities. How many of these will want to go into teaching when the pay of the private sector is so high remains to be seen. The scarcity of trained personnel will impose grave limitations upon economic development—especially if Oman is anxious to curb the level of expatriates working in the country. This cannot be stressed too much.

Education

Given the importance attached to the development of education, the capital expenditure envisaged over the next five years seems small. A total of RO26m. ($86m.) has been allocated. On the other hand the system cannot absorb much more than this. There are no large-scale projects like a university or sizeable permanent structures for school complexes. Current expenditure on education is far greater than the capital outlays, and is now running at over $30m. a year.

The absorptive capacity of the Health sector is only marginally greater. This is largely because there are more projects requiring high capital investment—like hospital extensions, new dispensaries and a countrywide system of health centres. Planned capital expenditure through to 1980 has been put at RO33.9m. ($112m). This, together with planned appropriations for education, account for almost 7 per cent. of the Five Year *Plan expenditure;* while in the recurrent expenditure of the budget the combined percentage is 17 per cent. of the total (split almost equally).

Oman's first modern hospital is shortly to open in Salalah—a 280 bedder, together with staff accommodation costing some $30m. There has been some pressure for the Health Ministry to concentrate more funds on hospital development given the current shortage of beds and the limited nature of existing hospital services. However, this would only stretch existing financial and manpower resources.

Rather is the emphasis for *the moment* more basic. The Ministry wants to concentrate at its very simplest on spreading *the message of* basic hygiene. It must cope with certain endemic diseases that severely debilitate the working population. In particular the Ministry wants to stamp out malaria, prevalent throughout the country; and an anti-ma campaign is now being con ted in conjuction with W Another survey is being car out on the prevention of choma which again afflicts r of the population whethe the mountains or by the c WHO is also helping in e to control tuberculosis, tracted in *crowded, unhe* living conditions.

As with education the s of developing a proper se (free to all Omanis) will be ditioned by the numbe trained personnel that ca recruited locally or encou to come from abroad. Ofte places where assistance is needed is where it is attractive to operate; and i some essential services, "flying doctor" servic Dhofar are run by the Su armed forces.

Success or even li succes in evolving a health service requires eff co-ordination with *Government departments* true of education too). C ticular importance is co-c tion for the supply of drinking water, last year enteritis accounted for 1 medical consultations and were 4,971 cases of hepa

AGRICULTURE

A thorny path

IN ALL developing countries agriculture is the sector which time after time proves the least *tractable and in many countries* is the most critical. Oman is no exception. As evidenced in the first Five-Year Plan, agriculture is planned to contribute to the GDP by 1980 the highest value of all the non-oil production sectors, but the growth of this *contribution during the five* year period will nevetheless be slower than that of manufacturing. It is estimated that, while over half of the Omani population is engaged in agriculture, 16 per cent. of Oman's imports are of food, live animals and *animal* and vegetable oils, more than twice the value of all non-oil exports. For the long-term future agriculture must become more productive in all senses of the term; what is being done and what are the problems?

Since 1970 immense effort has been put into establishing the technical, organisational and advisory infrastructure necessary for agricultural development. Major first-phase surveys of water-resources, soil, farming etc., have been carried out for the whole of northern Oman and the Salalah plain, and other detailed studies of particular *regions and projects* have been and are being executed. British consultants such as Alexander Gibb, Halcrow and Huntings, a team from Durham University, other consultants such as Ilaco, Renardet and Sogreah, as well as FAO and World Bank teams have all been engaged in this most necessary *business of* making resource inventories and putting forward preliminary recommendations. While much investigation still needs to be done, the critical factors have now generally been identified. The first of these, water, is *dominant in that improvement* in efficiency of utilisation of this limited resource —which implies a radical approach to farming as a whole — ranks with increased efficiency of extraction and storage in Ministry planning. Of the total of *RO25.7m. allocated to* agriculture between 1976 and 1980, RO14.2m. is earmarked for irrigation and *falaj* new and maintenance projects. It is clear as a result of water and soil studies that most of any increase in cultivated area projected by the Department of Agriculture (a figure of 3,000 hectares has been quoted) will *result from individually small* projects of expansion along the periphery of the currently farmed land, which is estimated to cover 37,000 hectares.

Accompanying the survey work has been the buildup of services supplied by the Department of Agriculture. Thus a network of 13 production-cum-experimental farms has been *established,* at which regionally relevant experimental work as well as some degree of "pace-setting" is developing. The crucial factor here, as in extension work and every other field, is the availability of trained personnel; training, particularly since it first involves selection *from a relatively small cadre of* suitable candidates, intense competition for suitable manpower between all branches of administration and then placement in suitable overseas institutions is only now beginning to feed qualified officers in to the system.

Extension

There are now 27 agricultural extension centres, from which there is a distribution to farmers of fertilisers (in nutrient terms, 409 tonnes of nitrogen, 106 of potash, 95 of phosphate during 1975), other agricultural chemicals and items such as hand-sprayers and seeds; these centres *also* provide tractor (and driver) hire services. The efficacy of the planned numerical expansion of these centres again largely depends on the availability of manpower. Within the Department of Agriculture there is an accompanying build-up of central administration and centralised services in veterinary, co-operative, water and analogous sectors. The Rumeis Research Station on the Batinah, now in its fourth year of existence, has been the site of increasingly valuable research and trials, ranging from biological pest control to row-spacing of crops.

Statistically, the effects of this activity on some 27,000 farm units do not appear very significant in the national aggregate. The production of limes (the major cash crop) and of dates (really the most important) show little overall *upward trend,* while the considerable increase in alfalfa and banana production could be held *to be caused by normal* farming response to increased demand. This, however, is to *ignore two fact. The first is that* the agricultural labour force is being eroded continuously by the attraction of employment in urban services and the armed forces; in northern Oman, in particular, it is perhaps remarkable that agricultural production has not suffered more from a flight from the land. As yet abandonment and neglect have been balanced by a certain amount of expansion of cultivation and by a combination of various minor changes in farming practice, assisted by Government services. The availability of hire *tractors, of fertilisers* and seeds, has been matched by farmers' demand, and though these first steps may be small they are significant and could become more so.

The second fact is that in some regions of Oman agricul*tural development and innova*tion are proceeding rapidly. In the Southern Region considerable advances have been made in cattle-raising and fodder production, mainly near Salalah. On the seasonal grasslands of the Dhofar mountains, a socially and ecologically sensitive situation could with care be developed to support store-cattle *on a considerable scale.* Near Nizwa an agricultural school has recently been estab*lished with UNESCO support* in order to give vocational as well as formal education to young would-be farmers. In the Sharqiya an identified demand for farmland has been studied with a view to setting up small to medium size commercial farms. Along the Batinah Plain private investment continues in commercial farms, mainly devoted *to vegetables and fruit,* ranging in size from 50 to 100 acres.

In addition there are the embryo agro-industries associated with and offering markets to agriculture. The date-processing plant at Nizwa, producing, inter alia, confectionery for the local *market,* after early vicissitudes has now been running for a year, offering employment and *a market outlet for dates.*

The latest development in the agro-industrial sector is the Sultanate's first dairy factory, operated by a public company, Oman National Dairy Products including W. J. Towell, now coming into operation to manu*facture whole milk,* ice cream, yoghurt, cheese and other by-products from reconstituted *skimmed* milk powder. This is being imported initially from Denmark, but it is hoped eventually to use Omani milk. The plant, situated in the capital area, was set up under the guidance of Danish Turnkey Dairies and will be managed by them in the short term.

Typical

All these developments, with *the exception of some Salalah* projects, are small scale and necessarily so. The typical farm production *unit is some* two hectares in size, and plots devoted to field as distinct from *tree crops are too small* to support mechanisation except on some collaborative basis. Farm incomes, unless considerably raised by the production of high value crops in high yields, which on this scale demands large labour inputs, cannot support wage rates to compare with those in non-agricultural employment. Since there are no great virgin resources of land or water, agricultural development is conditional on the successful introduction of appropriate technology at an acceptable scale to a host of small farmers in order to improve the productive utilisation of the holdings they now have. Since the immediate *rewards are less* tangible than those obtainable by other work, the task is formidable. The first steps have, however, been taken, aided by the still strong attachment felt by rural Omanis for their home territories, and on the lines laid down in the Five-Year Plan for the investment of RO11.5m. in agricultural and livestock projects: "*taking into account* that activities in this sector are left to the private sector and that Government investment is meant to assist and provide guidance."

Professor Howard Bowen-Jones
University of Durham

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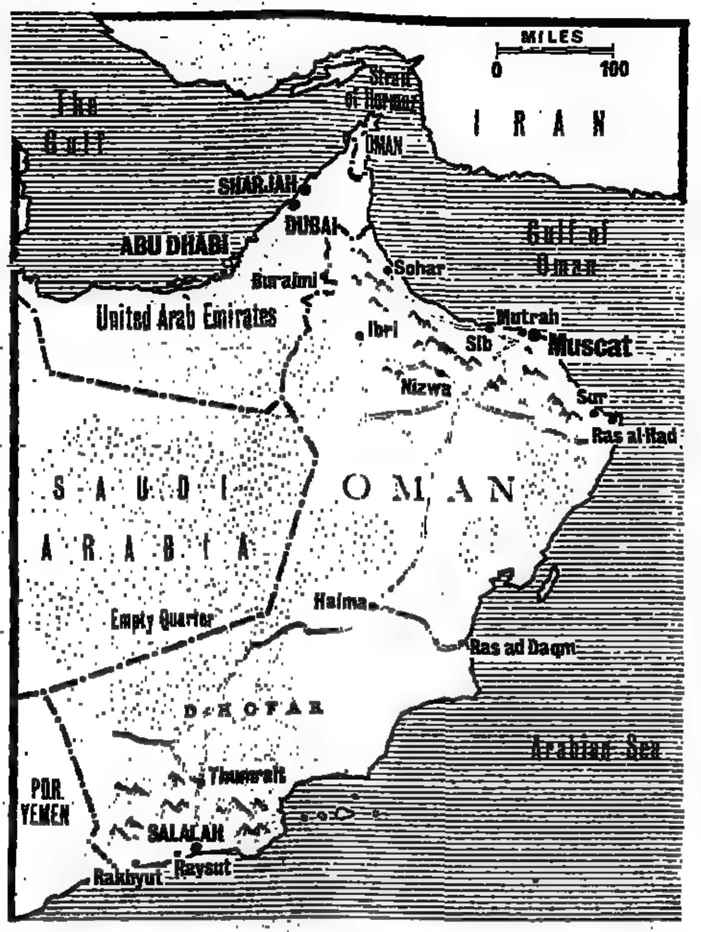
Keeping bottlenecks to a minimum



...E OTHER oil-producing ...es of the Middle East ...he past 12 months have ... their development still ... seriously hampered by ...ecks, Oman has solved ...f its problems. This is ...articularly in the com...tions sector which has ...e scene of some of the ...ramatic difficulties else... Much of Oman's ... can be attributed simply ...evelling off of its growth. ...t of the credit must go ...Government which has ...unusually realistic in ...g its problems and ...as been more prepared ...ost of the Governments ... Arabian peninsula to ...n expatriates in large ...s, take their advice and ...e its administration so ...e expatriates can be ...

...e first 18 months or so ...e 1973 escalation in oil ... Oman's imports con...o be lightered ashore to ... Bay and so port bottle...blems of a conventional ... not enter the picture. ...ust, 1974, however, a ... 12 berths (including ...p-water berths) built by ... was opened in ... Last month, when it ... reasonable to compare ... port, Mina Qaboos, with ...rts in the region, delays ...onth upwards were ex...d. These were not as ... the delays endured by ...lting off Saudi Arabia ...out they were well up to ...age for elsewhere in the ...

...e with the problem, in ... 1975, Mina Qaboos ...orking a second shift, ... the beginning of 1976 ... expatriate management ...s dispensed with and ...ly new one brought in. ...tuation was further ... by the fact that in 1976 ...nt of cargo handled has ... more or less static (at ...00,000 *d.w.t.* up to the ... August) with an ... decrease if one ... in shipping tons ... volume into account) ... small increase if one ... in terms of dead ...ons.

...ys

...esult of these develop...lays at Muttrah in 1976 ...len to a maximum of ... at the end of the ... Fast, and an average ...en zero and three days. ... various contributing ... the most important ...pear to be the opera... second shift—though ... testimony to the new ...ent and the improved ...ity achieved that it ... estimated that even ... the second shift the ... waiting time in 1976 ... ll have been cut to 10 ...

...he rest of this decade ...ught that the volume ...o landed at Mina ...ill actually decline a ...le productivity should ... further — partly ... a continued improve... efficiency, and partly ... the port authorities' ... investment in roll-on...cilities and the pur... 10,000 pallets. There ...nother six-berth port ... be built by Hochtief ... in Dhofar. However, ...elatively little freight ...erto been landed at ... and trucked down to ..., the impact of this ...ent on Port Qaboos's ...nce will be fairly ...

It seems that there should soon be a substantial surplus of capacity at Muttrah, which the authorities hope will be used for goods bound for the UAE, giving Oman much needed revenue. The problems hindering this development are first that many shippers are still unaware of the situation at Muttrah, and second that there is as yet little competition between truckers on the overland routes to the UAE, so freight rates are very high.

The good performance of Muttrah port has been matched by Oman's International airport at Seeb—though the avoidance of bottlenecks at the airport is a rather less remarkable achievement, given that in most Middle Eastern states (Saudi Arabia again being an exception) the bottlenecks in air transport have been found more in the airlines' totally inadequate schedules than in actual delays and congestion at airports.

Oman's facility at Seeb International, built by the Cypriot contractors Joannou and Paraskevaides, was completed before the oil boom—the runway being finished in 1972 and the terminal in 1973. Like the port it is largely run by expatriates. An Omani-owned company, Oman International Services, looks after the non-technical services—passenger and cargo handling, restaurants, duty-free shops, aircraft meals and apron support assistance—and Pan American runs the operational side of the airport—air traffic control, airfield maintenance and communications. In most respects the expatriates are given a very free hand by the Omani Directorate of Civil Aviation.

The smooth operation of the airport is further assisted by virtually perfect weather conditions. Dust and moisture are taken out of the mainly northerly air stream as it flows over the Hajar mountains, leaving the air at Seeb much less hazy than it often is at airports in the Gulf. At present Seeb handles only 600 aircraft movements a month, combined with the low volume of traffic, the good weather ensures that flight delays for non-technical reasons are virtually unheard of.

Seeb airport could take more traffic than it does, and the authorities are hoping that the airport's performance and its position directly below main east-west air routes will help encourage more international traffic to make stop-overs in Oman. The problems for Seeb are that Oman is "at the end of the line" coming down the Gulf from Kuwait, is not centrally placed for inter-Gulf connections, and is competing against Bahrain which is long established as an air travel centre and has strong ties with many airlines.

In any event there should in the medium-term be an expansion of internal air traffic as the Dhofar region is developed. For personal travel, air will remain very much more practical than road on this route—even if in the 1980s the 870 kilometres of road from Ibri to Thumrait is built. Meanwhile, for political reasons, the Government has been actively encouraging travel between the two parts of the Sultanate by arranging free flights for citizens who have not the means to pay their own fares. The Government is developing Salalah, formerly run by the military, as a full scale international airport. As at Seeb, the contractors are Joannou and Paraskevaides. The operators will be Oman International Services and Pan American.

Programme

Joannou and Paraskevaides have also been major contractors in Oman's massive road building programme—along with Strabag bau and Trapp AG and Partners both of West Germany, Consolidated Contractors Incorporated Company (CCC) of Lebanon, Wimpey, the Anglo-Lebanese company Mothercat, Dumez of France, and Omani Contractors, a joint venture between Grove International of U.S. and the Oman National Contracting Corporation.

As might be expected in a country which in 1970 had only 10 km. of tarmac road, the Omani road building programme has taken far more of the communications budget than either the ports or airports. Much of the impetus behind the programme has come from the need to unify the country — a motive which also lay behind Saudi road building in the 1960s.

By the end of 1976 actual expenditure on roads will have amounted to some $460m., and for the remaining period (1977-1980) of the current plan the value of work carried out will be $370m.—though these figures are not strictly comparable. Credit arrangements will have meant that the value of work carried out in 1971-76 will have been much more than $460m., while in 1977-80 period they will mean that Oman will not actually spend as much as $370m. on roads.

Peak

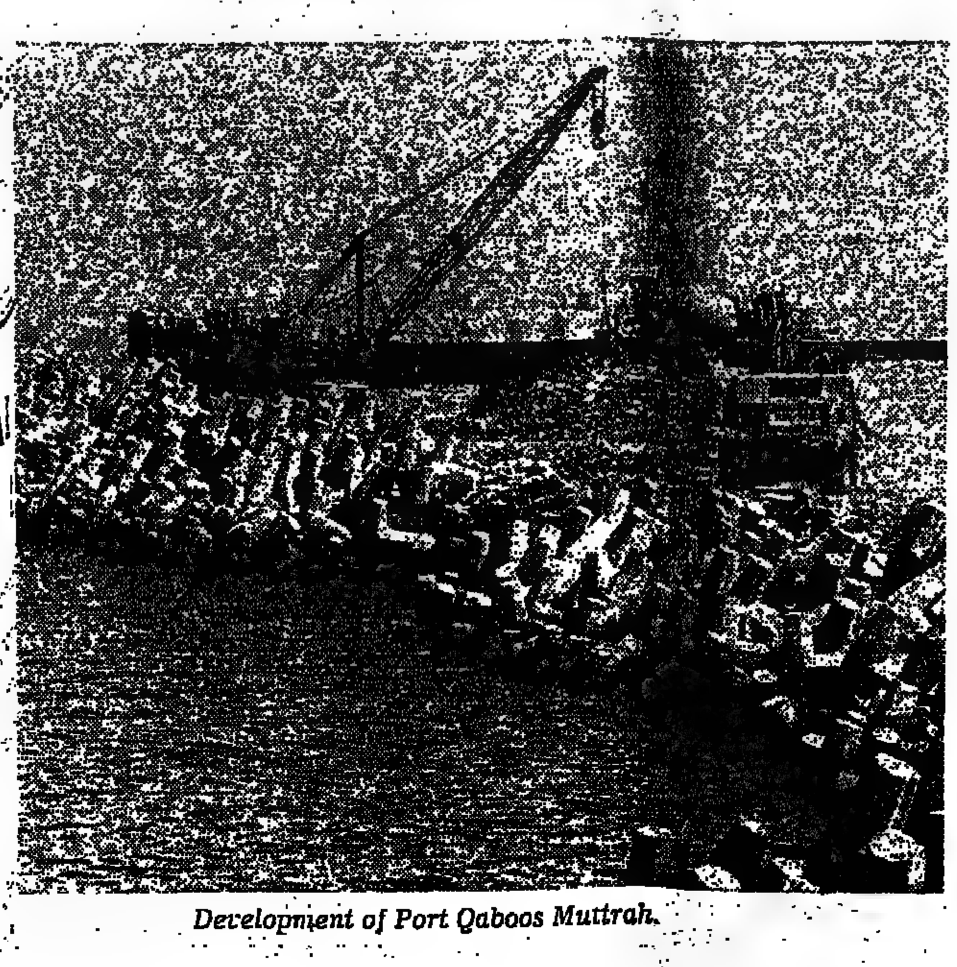
Measured by the dates on which contracts have been let the period of peak activity in Oman's road building programme is already past. The big years for letting contracts were 1974 and 1975, and even though actual expenditure will peak in 1976 at $213m. most of the spending this year has been on projects that were already under way in 1975.

In the northern region of the country there are already 680 km. of paved roads, and under construction a further 480 km. — divided between the routes Bid Bid-Sur (263 km. being built by Dumez), Muttrah-Quriyat and Sohar-Al Ain. In the south so far there are only 160 km. of paved roads at present. The routes Salalah-Thumrait (Midway) and Salalah-Taqa (included in the 160 km. figure) are being completed this year, and starting in 1977 a new $160m. programme will begin for the paving of mountain roads in the region.

Beyond the current plan there will be a good case for building a road to link Sur, in the centre of what should become the most productive fishing region of Oman, with Quriyat—so joining Sur to the capital area and facilitating the development of fish-based export industries. There is also frequent mention of the 870 km. road which runs from Tan'am near Ibri in the north to Thumrait in Dhofar. At present this engineered gravel road built by the Ministry of Defence is used by little more than a dozen non-military vehicles a day, but there is an obvious and powerful political motive for having it paved. Given Oman's financial position, the fate of Tan'am—Thumrait will depend in practice as much on the assessment of the Saudis of the road's political merits as it will on the Omanis' opinions.

Meanwhile, there is a debate in progress over whether the road should continue to be run by the Ministry of Defence or whether it should be taken over by the Ministry of Communications. Despite the fact that the Ministry of Communications is being helped with the establishment of a highway maintenance operation by Louis Berger International of the U.S. (working in Oman under the auspices of the World Bank) there are serious doubts as to whether the ministry is yet capable of assuming responsibility for any roads outside the rapidly expanding network it already has to deal with in the north.

M.F.



Development of Port Qaboos Muttrah.

OIL

Falling output but better earnings

QUITE A number of Middle Eastern countries can now define the limits of their oil production capacity. A few have already reached their production ceilings but of the significant producers only one, Oman, is already past its peak and has had to accustom itself to planning for a steady drop in output.

The actual peak in Oman's production occurred in December last year, when output ran at 386,000 barrels a day. In fact 1975 saw the established producing fields. Fahud, Natih, Yibal and Al Huwaisah (which came on stream in 1967) already going through a decline in production—to 280,000 b/d compared with their highest level of 291,000 b/d in 1974.

What changed the overall picture was the addition of a new group of five fields further south, Saih Rawl, Ghaba North, Qarn Alam, Saih Nihayda and Habur, which were brought on stream at intervals between February and August and which by the end of the year were producing at a rate of some 100,000 b/d.

For the current year the operating company, Petroleum Development (Oman), owned by Shell (85 per cent.), *CFP* (10 per cent.) and the Gulbenkian interest, Partex (5 per cent.), is aiming for a production target of 368,000 b/d, which on an annual basis could be a record.

The problem has been one of "water cuts" (the proportion of water being produced with each barrel of oil), which in some of the fields has been rising steeply leading to some very sharp declines in output. The worst difficulties have been encountered in the Qarn Alam field, a fractured limestone formation, where production has now fallen below 10,000 b/d. Here the actual production *wells were drilled into the* fissures in the structure, in the expectation that as the oil in these areas was drained more oil would flow into the fissures from the surrounding matrix. In the event the oil, a very heavy 16 degree API crude, did not flow from the matrix, and water rose up the fissures instead. To overcome this problem the Shell laboratories in Holland are working on the application of a recovery method which would use heat to stimulate the flow of oil out of the matrix.

Because of the rather disappointing recent performance of some of the fields, and of Qarn Alam in particular, there are now doubts as to whether the oil production figures (hitherto thought to be very realistic) on which the five-year plan is based might not be over-optimistic. According to the estimates made originally Oman's production was expected to fall to 49,000 b/d in 1977, 315,000 b/d in 1978, 278,000 b/d in 1979 and about 240,000 b/d in 1980—but now it is expected that a production figure of 200,000 b/d for 1980 might turn out to be nearer the mark.

For the Omani Government, the prospect of a faster than expected drop in production is a serious matter—especially as the shortfall is unlikely to be made up for by oil price increases. In the Omani plan both income and expenditure are worked out in constant 1976 dollar terms, and there is, of course, no knowing whether the price of oil will even keep pace with inflation over the rest of this decade—let alone increase in real terms.

At present Shell, a traditionally crude-short company and an appropriate concessionaire for the Omanis, has five seismic parties and four drilling crews operating in Oman, but its recent exploration results have been largely disappointing. The exceptions are the Marmul and Amal fields in Dhofar, the first field having been discovered when Cities Service was operating in the region some 15 years ago, and the second being a find made by PD(O) on the basis of Cities Service data.

Prospects

During recent months PD(O) engineers have been trying to assess the commercial prospects of the two fields, but their task has not been easy. Appraisal wells sunk to determine the extent of the fields have yielded alternatively good and bad results. The structures are geologically complex, the crude in them is heavy (some 18-20 degrees API) and will need pumping, and their other production characteristics are as yet uncertain. Extended production tests are now being run *to study water cuts.*

Further difficulties arise from the fields' geographic position The cost of building a line to tie in with the established pipeline system of the northern fields would be enormous, but the alternative (more likely to be adopted in practice) of exporting the oil via a single buoy mooring system off the southern coast would also be fraught with difficulties because of the extreme monsoon conditions that can be encountered in the region.

Whatever systems were decided on, PD(O) would be facing development costs in the region of $150m. for production of 30,000 b/d, which would work out at $5,000 a barrel a day of capacity. Even with this figure, which is well up to North Sea standards but not necessarily uneconomic in the circumstances, there is a mood of optimism surrounding Marmul and Amal. PD(O) hopes to give the Government a definite decision on the fields' viability by the middle of next year.

Among the four other groups operating in Oman the prospects for commercial discoveries are mixed: first, Wintershall, which holds a concession beyond the territorial waters of the Batinah coast, drilled two dry holes several years ago, and is now thought to be likely to give up its acreage. Second, Sun Oil, with a concession signed in February 1973 for two offshore areas in the Gulf of Masirah and Sauquira Bay, has drilled one well which encountered shows of oil in the Masirah region and is now on the point of spudding a second well. Third, Quintana, which in December 1975 entered a production sharing agreement in the northern Suneinah region near the UAE border (on relinquished PD(O) acreage), is at present finishing its seismic work and will soon be defining its drilling targets.

It is the fourth group, Elf, which seems most likely to bring a discovery on stream. Elf has two areas, for both of which its arrangements with the Government were changed from concessions into production sharing agreements in September this year. One area, on which Sumitomo is a partner, is the Butabul region on the edge of the empty quarter, where exploration is immensely difficult and time consuming. The other area, and one of the few bits of Omani acreage which was never surveyed by PD(O), is offshore the Musandam Peninsula—and it is here that it seems Elf may find a commercial field.

The company also has a concession opposite the Musandam Peninsula on the Iranian side of the median line, and in its first well in these waters struck hydrocarbons. Unfortunately, it was not able to test its discovery—apparently the casing of its well collapsed—but it is now going to drill into the same structure on the Omani side of the boundary.

Even if it is successful, however, Elf may need to find a partner to share its development costs. And, as a further complication, it may find itself in the middle of a conflict of interests between its two host countries—with the Omanis being anxious to develop the find as soon as possible, and the Iranians, by whose standards the find is bound to be small, being liable to argue in favour of closing the field in until such time as they need its production.

The final way in which Oman could aspire to make up for its faster than expected drop in oil revenues could be through the possibility of gas exports—but Oman's gas reserves, much of them concentrated in the Yibal field, are simply not enough.

What gas supplies wi[ll be] adequate for, however, [a] number of industrial pr[ojects] built or being built at A[...] between Seeb and the oil [...] terminal at Mina Faha[l]. [A] quantity of 20-inch pipe [...] supply line (more than enough for industrial dema[nd in] the short/medium term) [has al]ready been brought [from] Mannesmann.

Sixty million dollars wo[rth of] loans from the Kuwait Fu[nd,] Abu Dhabi Fund and the [...] Fund have been arranged t[o] finance the project. Bids [have] just expired and it is ex[pected] that the contract for the p[...] will be awarded within [...] days.

Vague

To date the Governme[nt has] bought 60 per cent. of P[D(O)'s] assets and an entitlem[ent to] 60 per cent. of product[ion] while leaving PD(O) as a foreign-owned London [regis]tered company. The auth[orities] are distinctly vague abou[t] plans for 100 per cent. [parti]cipation, and there a[re cer]tainly no allocations ma[de for] buying the remaining [...] assets in the current p[lan. In] practice a certain amou[nt will] depend on what arrang[ements] the Saudis finally enter in[to with] Aramco, and more sti[ll will] depend on whether they [are] prepared to help finance [a com]plete Omani takeover. Wh[atever] happens there will be no [finan]cial advantage for Oma[n, the] State's take per barrel [...] being determined on th[e basis] of calculations which in[clude a] fixed operator's reward [of ...] cents a barrel, a figure [...] mutual agreement.

Meanwhile relations b[etween] PD(O) and the Governme[nt, which] run operations through [a] management committee, [are ex]tremely good—in fact exc[eption]ally so by the normal sta[ndards] of company-government [...]dustry joint ventures. S[...] would be expected, stil[l ...] most of the State's crude [entitle]ment—the Omanis the[mselves] selling 80,000 B/D und[er] long term contracts, o[...] 5,0000 B/D, and the ot[...] 30,000 B/D.

It is ironic, but the Om[anis are] now getting a better pr[ice per] barrel for both their dire[ct sales] and their *concessionaire'*[...] as a direct result of the [...] production. The crude f[rom the] Qarn Alam field now p[roduc]ing in such a disapp[ointing] fashion, is so heavy t[hat the] Omani export blend wit[h re]duced Qarn Alam cont[ent has] become significantly li[ghter,] changing from 34 degre[es] to 35.5 degrees API. Th[e effect] has been to add 4.5 cent[s to] Oman blend's posted [price,] now standing at $12.593.

GUERILLA ACTIVITY

Military keeps a careful watch

SIX WEEKS *ago a group of 15* guerillas crossed over into Dhofar from PDRY. It was not long before the *firqat*—irregular paramilitary forces operating in basically tribal groupings—got wind of their movements. Though the terrain is ideal cover for guerillas with its deep wadis, caves and thick scrub, any guerilla crossing into Dhofar comes up against the problem of water. Now that the Sultan's Armed Forces control Dhofar, they can prevent access to all, or virtually all, water holes.

Of the 15 that entered, four subsequently turned back, nine surrendered and two slipped through the net to join the remnants of the Popular Front for the Liberation of Oman (PFLO) in eastern Dhofar. Since SAF gained military dominance over the whole of Dhofar last December there are reckoned to be no more than 50 hard-core guerillas in the hills.

Since the end of the monsoons, which last from June to September, the military have watching carefully to see if there would be a resurgence of guerilla activity. This band of 15 is the only known—or admitted—instance of guerillas crossing over into Dhofar and there has been only one other "contact" along the border and this was probably with PDRY regulars.

The implication from this very low key activity is that PFLO did not take advantage of the monsoon mist and cloud to infiltrate more men and supplies. More important, even if guerillas can get inside the *border, life can be made so diffi*cult for them that the attractions of surrender are greater than either turning back or soldiering on.

Any guerilla turning himself *in is well paid—he is paid for* his weapons, for information and, depending on his importance, receives financial assistance for housing and is often offered a job in the Firqat. Between January and October this year at least 600 have surrendered, according to the Omani military.

Those that have surrendered include some hard-core elements who moved to eastern Dhofar in January-March when SAF sealed the border and the border cease-fire with PDRY began to take effect. The Military claim that these elements, which then numbered around 100 have been halved, mainly through surrender. There has been little "contact" in a military sense, save for the occasional firing on a patrol or a Landrover by PFLO. All the same, these men are proving exceptionally hard to run to ground. Indeed, mopping up operations are still being conducted in an area covering some 100 km long and 20 km deep in the mountains just east of Salalah.

Military control by SAF Dhofar—roughly the size of Wales—has happend quicker than expected. Because the monsoon prevents any significant air strikes or helicopter logistic support the fighting has been seasonal. Frequently gains made in the dry season *had to be renewed after the* monsoons.

Attrition

At the end of the 1975 monsoon the military felt that the process of attrition against PFLO would take another two years—that is, that the war would end about now. As it turned out, the last PFLO occupied village, Dhalqut, on the coast about 45 km. from the border, fell without resistance in December 1975.

SAF's policy of building strong north/south lines which split up the province and made PFLO movement more difficult was an important element in the sudden collapse. This blocking tactic was aided by advanced positions established inside PFLO held areas. Along with air and naval bombardment, this prevented a free flow of supplies and men into Dhofar. Indeed, with SAF's steady accretion of territory PFLO decided to adopt the classical guerilla strategy—withdraw when the enemy is strong to conserve strength. The bulk of the guerillas withdrew last November into PDRY.

It is worth stressing that PFLO controlled the whole of Dhofar with the exception of the narrow coastal strip round Salalah at the time of the former Sultan's overthrow. As late as three years ago Salalah was receiving the occasional 122m. Katyusha rocket.

The real impetus to combat the rebellion came from Qaboos (and British con[...] the rebels' success). By [tak]ing to implement refo[rms in] education and health an[d intro]duce modern devel[opment] denied to Dhofar b[y the] mediaeval-style of his [father,] much of the rebellion's [...] was removed. These m[easures] also accelerated a split [within] the Marxist-controlled lib[eration] movement.

Being basically a [...] society, steeped in conse[rvative] tradition, there had be[en an] awkward accommodation [with] the atheist principl[es of] Marxism. Defections to t[he Sul]tan's side in 1971 resulte[d in the] formation of the *firq[at]*, [a] group of men under a [...] Formed from people li[ving in] the *jebel* (mountains) a[nd con]sisting of tribal groups li[ving in] their tribal areas, the[y] numbered between 30 a[nd ...] each. They were assisted [by Bri]tain's Special Air Servic[e and] proved an ideal c[ounter-]insurgency force acting [as the] army's eyes and ears. Th[ey pro]vided vital intelligence [and] as a capable combat s[...] when necessary. They a[re now] 3,000 strong.

PFLO were an extreme[ly ac]tive force themselves. Th[ey] receive direct assistance [from] the Aden Government, [and] some PDRY regulars [...] Dhofar. But basically [...] provided a safe base to c[...] from and train in, whil[e] China, then Russia, s[...] the hardware. PFLO d[id the] fighting itself and ther[...]

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Great potential to be tapped

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As elsewhere in Oman, population estimates are vague. On the basis of a study by a British group of water engineers, Salalah and its surrounds has 37,000 inhabitants. Population of the remainder of the littoral has been guessed at 5,000 inhabitants (including the Kuria Muria islands which have 75 persons, only four of child bearing age). The *jebali* population is no more than 30,000 and probably much lower. Thus a total population of 60,000 is considered the best estimate.

Development is only in embryo and the government does not yet seem to have a philosophy. There are those, mainly the foreigners down in Salalah, who see Dhofar as an unparalleled museum of people, fauna and flora of a by-gone era — which should be preserved. The more pragmatic argue preservation must have a purpose. If it is just for tourists to come and look at then this is not very helpful or agreeable for the Dhofaris. Another school, championed by business interests, wants to develop tourism, small industry and agriculture, plus cashing in on a land and housing boom.

No irrevocable decisions have been made. A Kuwaiti attempt to sponsor a mountain hotel has been rejected. No decision has been taken on the extent to which roads should be built into the *jebel*. Though this would ease the problems of schooling and health and the marketing of agricultural goods, it would lead to the quick break-up of the present tribal system, some experts argue.

The type of development will be determined in the end by the more mundane consideration of available funds. Outside the Salalah plain development is extremely expensive because there is no infrastructure and the communities are both isolated and scattered. For instance, there is a village on the coast south-west of Salalah called Raykhut, controlled by the PFLO until the end of 1974. The villagers have begun to return now that the fighting is over and have asked for a proper freshwater supply (having become accustomed to non-brackish water while in Salalah). The cost of installing such supplies has been put at Ro.500,000 ($1.6m.). The population is only 200 and will not be more than 400 by 1990! Moreover, it would require two skilled expatriates to run the plant, and recruiting such staff would be very difficult. The Princetown University Energy Group is now studying the possibility of solar energy which would be simpler and cheaper.

The Omani Government had hoped Arab funds would be provided to develop Dhofar, easing the burden of its own exchequer in this respect. The Saudis had been expected to help towards, if not pay for, a series of Government centres and roads throughout the *jebel*. So far no such aid has been forthcoming. Kuwait alone has come forward via the Kuwait Fund (KFAED) to finance a Government centre to the tune of Ro800,000.

Arab aid maybe forthcoming eventually to this response has led to a scaling down of plans. The Omanis are now planning on doing things themselves. Over the next five years Ro253m. ($834m.) will be spent on Dhofar by the Government. This is 27 per cent. of expenditure in the Five Year Plan.

Airfield

The major infrastructural development outside roads will be improvements to Salalah airfield and Raysut port. The airfield will be handed over by the RAF next March and the civilian side will be run by PanAm. About $12m. will be spent on improvements including a proper passenger terminal (at present there are just two very primitive tin huts). Raysut port will be expanded and made into an all-weather port at a cost of $100m. Monsoon winds make it impossible for shipping to use Raysut for up to four months of the year. It handles 200,000 tons per year.

For the *jebel* there is only one type of productive investment—agriculture. The *jebalis* survive on subsistence agriculture based on cattle, goats and a few crops like sorghum and tobacco. There is an important trade interchange with the plain-cattle being sold for beef in return for the purchase of sardines which are used as cattle meal. The main need is for improved veterinary techniques alongside proper marketing. Development of Dhofar's fishing potential also is dependent upon proper distribution. The average annual sardine catch is estimated at 40,000 tons. There have been numerous proposals for a sardine canning factory but these have been turned down because of the lack of assured distribution outlets.

As for agriculture in the plain, the soil is not as good as was initially thought. Less than 5,000 acres are under cultivation: but it was hoped this could be increased to 40,000 acres. Now soil tests show the increase will be more modest. The main emphasis will be the co-ordination of production with northern Oman so that Dhofar can provide vegetables and fruits in the seasons when northern Oman normally imports.

Industry is difficult to conceive unless established for prestige purposes. Labour is short, costs high and the market limited. Meanwhile, the question of scale is a problem with any project. Take, for instance, the construction of a $40m. hospital in Salalah due to open this month. With 280 beds and built by the German group Polensky and Zollner, it will be the most advanced medical institution in Oman.

It will rely almost entirely on expatriate staff to function. The complement of doctors and surgeons alone will be 40. It is almost certainly too large, even anticipating future needs, and perhaps too advanced. Dhofari women who come into the small existing hospital to have babies frequently prefer to have them not in wards but in showers and toilets. Some argue that it would be money better spent to concentrate on the expansion of the existing flying doctor service.

The major problem in the development of Dhofar is one of administration. Until now the province has been run to all intents and purposes by the army. The civil aid programme was introduced in 1974 to demonstrate that there was a civilian authority in the liberated areas. It was conceived merely as an interim measure prior to the province being able to have a proper civilian administration.

The operation that has evolved, run by expatriates, is a highly sophisticated one requiring administrative experience and an understanding of the province's needs. In the near future the civil aid programme should hive off its activities to the various Ministries — like the flying doctor service to the Ministry of Health, water drilling to the Ministry of Agriculture, etc. The civil administration is not prepared to take on such a burden.

On a more general level it is up to the Government to ensure that security in Dhofar is maintained. It also must ensure that the funds earmarked for the province do not get stuck in Muscat and that once in Dhofar they go to the right places.

R.G.

Military

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er, 1975, with heavy cross-border shelling by both sides; and a month of cross-border air strikes by Oman's Hawker Hunters hitting at positions near Hawf just inside the PDRY. Official casualty figures show that SAF suffered 188 dead and 584 wounded between January, 1971, and September, 1976. This year so far there have been two killed and 20 wounded, mostly as a result of mines.

These figures do not give a true picture. While they include British officers and NCOs, they exclude Iranian casualties. The Iranians have never released figures for their own casualties. But due to the inexperience of their troops, plus the Iranian policy of frequent rotation (every four months), casualties were high. Unofficially it is estimated that Iranian casualties were treble those of SAF.

Apart from mopping up operations in the eastern part of the province, SAF's main concern now is border patrolling and maintaining an alert presence. There are said to be some 280 PFLO guerillas receiving training near Hawf. The PDRY Government does not appear to be pressing them to go across the border. The main movement across the border is that of women and children. Last week over 160 people came across in two days — compared with 530 in the period since January—but there are no able-bodied males among these. Most are returning to the tribal areas—an important consideration since one of the main tribes has its traditional territory split by the border.

The material benefits on the Omani side of the border are very strong compared to the poverty in PDRY. Each refugee automatically gets $80. The mountain people seem to be motivated more by self-interest than ideology. It is odd to find among the Firqa men who have trained in Cuba for two years or gone to Russia, and who now have changed sides without altering their life style in any way — except that now they can buy watches, purchase clothes for their womenfolk and get proper water for the cattle — the principal means of livelihood.

When self-interest dominates the Sultan's system of reward, though with limitations, is certainly effective at the moment. Two weeks ago three Sam 7 missiles were found. The finder got the equivalent of $14,800, or enough to buy 90 goats.

R.G.

PLANNING

Development Plan's realistic aims

SOBRIETY AND prudence are the words evoked by the statement of aims in Oman's first Five-Year Plan. For a country which joined the ranks of the so-called "oil-rich" States less than a decade ago, and which to-day celebrates the sixth National Day of the new era under the rule of Sultan Qaboos bin Sa'id, the Ruler and his Development Council have shown immense realism in sanctioning this plan. This is not because the plan predicts a gloomy or difficult future, but because it resolutely grapples with the simple ineluctable fact that the oil resources are finite and that revenue from oil exports will decline and at some time come to an end. This is something which many countries have taken long to recognise and which some have yet fully to appreciate.

The first aim and objective adopted for the plan is simple and clear — to tap new sources of income to supplement and eventually to replace oil revenues. The second follows logically. This is to increase the proportion of capital investment expended on income-yielding projects, particularly in the sectors of manufacturing, mining, agriculture and fisheries.

As the plan recognises, 93 per cent. of capital investment between 1970 and 1974 was directed towards the building up of the economic and social infrastructure — the provision of physical and institutional facilities which though necessary for the harnessing of resources for development were not in themselves income-producing. Between 1971 and 1975 18.6 per cent. of cumulative Government development expenditure went on roads, 16 per cent. on public utilities, 9.2 per cent. on health, housing and urban development. Further capital expenditure of this kind is needed and is planned while the growing cumulative demands made on current expenditure in order to maintain the newly created infrastructure are accommodated in the forecasts.

Nevertheless, the heady days of high expenditure on improving facilities in ways which were clearly popular and conspicuous—schools, clinics and roads make a clear impact on the many—are now to give way to a period during which there will be concentration on the more difficult, more complex and less immediately rewarding task of creating new bases of production.

The third objective—to effect a wider geographical distribution of investment—thus makes excellent sense on all counts. Not only must the greatest regional diversity of resources and the widest spread of people be involved in development; that development must be seen and felt to be happening by the population at large.

Decline

In financial terms, the plan assumes and plans a decline in the contribution to the GDP (at market prices) by three main sectors between 1976 and 1980—crude oil from RO505m. to RO461m.; construction from RO76m. to RO49m; transport and communication from RO 25m. to RO19m.

In order to more than offset this, and more, other sectors of the GDP are planned to grow as follows:

	From	to
	(ROm.)	
Agriculture and fisheries	18	30
Copper mining and natural gas	0	11
Manufacturing	3	25
Electricity and water	5	10
Internal trade and home ownership	40	78

At the same time an improved balance in the GNP is to be achieved through considerably reducing net remittances abroad, chiefly by increasing the share of economic participation by Omani companies and workforce.

In Oman all ultimately hinges on Government resources and their use. Excluding loans and grants, total Government current revenue in 1976 is estimated at RO495m., of which RO470m. will come from oil. This latter element is the least controllable in that it depends on a complex of factors—resource availability, production, and the price obtained for crude. Reasonably conservative estimates suggest that production of crude will fall from a 1976 peak of 135m. barrels to 122m. in 1980, giving a cumulative oil revenue of RO2.2bn. at 1976 prices. Since export markets for Omani crude—where Japan leads—appear to be holding up well, since the next round of oil price negotiations is likely to result in some increase, and since there are some grounds for optimism over the results of oil exploration (especially in the now war-free southern region), oil revenues at the disposal of the Government are more likely to rise above than fall below the plan figures.

Other revenue levels will depend more directly on policy. With regard to external sources on the one hand there is the firm intention to limit borrowing so as to produce a decline in net indebtedness from 1979; on the other there are possibilities of non-repayable grants for development purposes (directly, and indirectly through assistance with expenditure on defence). Other internal revenue is planned to show a steady if not spectacular increase to contribute a total of RO157m. coming mainly from a rise in customs dues (partly associated with tariff protection for infant industries) and increasing sales of water, electricity, etc.

Over the five-year period prudent accounting is prepared to assume a decline in available Government resources from RO650m. in 1976 to RO484m. in 1980. For a country the size of England and Wales and with a population assumed for planning purposes to number 1.5m., the estimated cumulative available resources of RO2.8bn. clearly allow of little extravagance and even limit the meeting of some needs.

Of the main heads of resource allocation in the plan the largest is that of defence and national security — RO971m. Of this total at least RO125m. can properly be classified as projected expenditure of a civil character — housing, water supply, roads, etc.

It remains an unhappy fact that while within the frontiers of Oman warfare virtually ceased almost a year ago, the actual and potential threat to Oman from antagonistic forces based in the PDRY—forces which long ago ceased to represent the people of Dhofar (now renamed the Southern Region)—continues to produce a drain on resources which could otherwise be allocated to development. Even so, funds allotted under this head are planned to fall by 1980 to little over 50 per cent. of the 1976 level of expenditure.

The second largest allocation is to civil capital projects, and this item together with the next in scale, civil current expenditure, requires most attention. It should also, however, be noted that the repayment of loans and interest, peaking in 1979, is expected to take RO241m., and that consequential on the participation of Government in Petroleum Development Oman (PDO) governmental contributions to capital investment in PDO will total RO88m. over the five-year period, with an additional RO72m. contribution to current expenditure.

Diversity

Expenditure on civil capital projects is planned to decline by 50 per cent. from 1976 to 1980, totalling RO700m. in all. These projects, undertaken in some cases in collaboration with the private sector, are of considerable diversity. In the petroleum sector a firm project on which work is about to start is the installation of a 20-inch pipeline to carry non-oil-associated gas from Yibal to the Capital Region.

The pipes have already been purchased, an RO17m. loan secured to meet remaining costs, and by late 1977 or early 1978 an additional source of energy for manufacturing and for public utilities will become available. This could revolutionise important sectors of the Omani economy although it is bound to increase the tendency for much activity to agglomerate in the area lying between Seeb and Ruwi.

Feasibility studies of an oil refinery to meet local demand for oil products are being carried out and preliminary steps have been taken to secure a RO15m. loan for this purpose. The single major mining project involves joint governmental and private investment in the exploitation of the copper ores of northern Oman; total projected expenditure is RO47m.

Capital projects in the manufacturing sector range from the cement plant (already delayed by rising costs) and the flour mill (almost completed) to a variety of individually smaller schemes now under detailed study. This latter group includes the manufacture of construction materials and animal fodder as well as larger projects such as gas liquefaction.

Private sector participation is not only planned but to be encouraged by the establishment of the Development Bank of Oman. This is expressely designed to guarantee or grant loans, to participate in capital provision and provide technical assistance to Omani enterprises not only in manufacturing but the whole spectrum of productive activities. The tapping of private sector capital is of crucial importance particularly in the manufacturing sector. IBRD estimates of private sector gross domestic fixed capital formation in 1975 came to RO33.4m. and the Central Bank of Oman has estimated private transfers as contributing RO20m. to the balance of payments deficit.

The third major sector of capital project expenditure may be combined under agriculture and fisheries. The main head is that of irrigation and water resources RO14.4m., as everywhere in Arabia water is the most critical single factor. The plan envisages capital investment and expenditure on maintaining and improving existing systems, the construction of small dams and the selective exploitation of water resources in a carefully designed programme of well installation, and the continued study of water resources and means of optimising their use. Over RO12m. are allocated to assist, through technical services and other means, livestock, poultry and crop production by the private sector.

The RO14.4m. allocated to fishery projects will cover participation in modern fishing companies engaged offshore and processing, the revitalisation of traditional fishing communities, as well as storage and distribution schemes.

The main emphasis in capital investment may be on income producing sectors but expenditure on economic and social infrastructure, although planned to decline, remains high. Thus allocation by Ministries still leaves communications receiving the largest allotment by 1980 and over the five year period expending RO388.4m., almost exactly twice the total allocated to agriculture, fisheries petroleum and minerals and over three times the capital expenditure planned for defence. Health and education with some
RO34m. each, and social af
and Labour at RO22m. each
certainly not be neglected.

The development and re
struction of the Sout
Region, one element in the
to spread capital invest
throughout the country, is
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RO27.7m. in addition to
expenditure by individual M
tries. This region increas
will be brought into the mo
world, after centuries of re
seclusion. The other
metropolitan areas will be
mainly from developmen
agriculture, internal trade
infrastructure.

Manpower

Lastly there are the que
concerning manpower, em
ment and population. The
recognises the need to avo
further migration of the (
population to the main ce
of activity in the Capital R
but this tendency is ha
combat. One effect of edu
itself is to encourage the
to leave the land and see
towns; the counterv
measures already in bein
planned, of rural voca
training and developmen
slower to take effect.

There is, moreover, an a
shortage of labour. Privat
tor employment estimate
cluding agriculture) for
show that 70 per cent. v
expatriates and while th
struction industry account
about 85 per cent. of the
foreign workers, the full
of expatriates if public
employment is added is lik
be nearly 190,000. The p
tion of Oman is itself incr
at a rate which a sample
carried out by a Durham
in rural northern Oman su
is some 3 per cent. annua

Against this, the fiv
Plan projection for GNP
tor cost indicates a grov
45 per cent. over the
1974 to 1980. Given the
prudent basis for the calc
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ment plan—which like
other ever devised will
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every hope of providi
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even in a world without
now depends on the suc
implementation of d
policies by the Ministri
Departments concerned
a shift in the private sec
wards investment in pro
industries as opposed to
and building.

Prof
Howard Bowen-

Embryo

CONTINUED FROM PAGE 1

and withdrawn, spending much of the time like his father in Salalah. The Sultan's orders and local administration are carried out by the Wali, who has substantial influence. The Wali for instance has funds at his disposal for free handouts of clothing, food and even contributions for private individual housing. Overall it is a system with an odd mixture of authoritarianism and paternalism, whose impact has to be assessed against differing attitudes in northern Oman and south in Dhofar.

Historically, Dhofar, more deprived and neglected, has also produced a more volatile people, whereas the north has been better off but more docile. Yet even without these differences the situation in Dhofar holds the key to Oman's future. The rebellion which began in 1963 drew its sympathisers from Dhofar separatists, those who were simple opponents of Sultan Qaboos' father and members of the Arab Nationalist Movement (ANM). Only in 1968 was a marxist platform adopted. The strains this imposed were finally exposed in 1970 when Sultan Qaboos overthrew his father, promising to implement reforms. There were large-scale defections to the Government, resulting in the formation of the *firqate* irregular forces from their number.

The *firqat* operating in the mountains and in their own tribal areas played a vital role in helping to end PFLO control in Dhofar. Their role in peace time will be just as important. Some 3,000 strong, they are all well armed. Judging by the ease they have gone from being revolutionary guerillas (trained often in Cuba or instructed in PDRY by Chinese or Soviets) to being the Sultan's loyal counter-insurgency force, their motives are material and not ideological. It goes without saying then that their allegiance is important to ensure.

For the moment they are happy — well fed and looked after. But their future attitude will depend upon whether they feel the Government is continuing to deliver the goods in terms of pay, schools, mosques, roads, cattle feed, etc. They will also have to be persuaded to accept a downgraded role if peace becomes a reality. Already there are moves to make them a two-tier force of home guard and mountain police force. If they become disillusioned, then PFLO across the border will once more find support.

W. L. Luetkens writes from Montreal about the uncertainties created by the victory of the Parti Québécois in Monday's election.

A cloudy time for Canada and Quebec

A HAS been thrust into l of great and prolonged nty by the sweeping of the Parti Québécois Quebec provincial elec- 'hat happened is easy to sum up; what the ences will be is anyone's except that the very inties of the political will add to many of roblems facing both and Canada.

ke the happening itself separatist party fighting platform that was not st won about 40 per the votes as against cent. in 1974, and by ries of an English-style system increased its the National Assembly ec from six to a com- majority of the 110

so by stressing bread- er issues — roads, pen- rm subsidies, and the nd by undertaking not into practice its pro- for cutting adrift from of Canada unless a um in two or three me gives the authority In the moment of his the PQ leader, Mr. vesque, repeated that before party workers, gone frantic with joy sults poured in. lelirious reaction to the showed that Monday's nay have set off a train that nobody can con- e leaders of the Cana- onal parties, including eral Prime Minister, Elliott Trudeau, bent kwards in their first s to accept Mr. 's assurance given in aign that pending the um he would be just Canadian provincial Even his opponents at Mr. Lévesque is a man of integrity and sincerity. But that does not alter the fact that November 15 was not merely another day in the history of Quebec where French and English speakers are divided in a proportion of four to one — or of Canada, where the proportions are roughly the reverse.

The "best scenario" of what happens now is as follows: A poll taken during the campaign showed that a majority of the Quebec French did not want independence. Even among supporters of the PQ only 49 per cent. wanted it. Therefore, the argument runs, what really is happening is that Quebec, like neighbouring Ontario, now has three parties that matter. These are the defeated Liberals, the federalist, conservative Union Nationale, and the social democratic PQ. That is a pattern with which the province could live.

The "worst" scenario is: In power the PQ will show its separatist spots. English speaking Canadians will react with fury, some, especially in the West, saying that Quebec might as well go its own ways. Moreover, the general air of uncertainty about the future will scare businessmen and cause the flow of capital into Quebec to dry up. Then, with unemployment there rising above the present 10 per cent., separatism will triumph.

To which of these purely theoretical forecasts events will in the end approximate depends in great measure upon the English reaction in and outside Quebec, upon the performance of the North American economy, and upon the Federal Canadian Government of Mr. Trudeau. In October, 1970, when a small separatist group of terrorists planted bombs and kidnapped Mr. James Cross, a British diplomat, Mr. Trudeau sent in the army. The terrorist group was broken up and Quebec has been spared a repetition of its methods.

Mr. Trudeau will not be able to react—even if he so wished—in a way at all comparable to his intervention against the terrorists in 1970. A suggestion has been made that he should forestall Mr. Lévesque's referendum by calling one of his own immediately at a time when Quebec sentiment is known to be in favour of remaining within the confederation. It seems most improbable that Mr. Trudeau would dare to make such a pre-emptive strike. There is nothing about referenda in the Canadian constitution from which he must take his lead, and moreover a referendum would set a bad precedent. Besides Quebec some other Canadian provinces occasionally appear restive under Ottawa's tutelage and it would not be wise to give them a weapon to brandish whenever it suited them.

In theory, the Federal Government has power—last used in the 1930s—to veto provincial legislation. The political climate nowadays is not suited to such heavy-handed methods against legislation of a separatist colour which the PQ might wish to pass in Quebec—though it should be remembered that Mr. Trudeau's political *raison d'être* has always been a firm determination, as a Quebecer himself, to maintain Canadian unity.

Unless tempers get out of hand on both sides, Ottawa will have to use finesse rather than bluster to deal with the situation. There is much which could make this possible. The "best scenario" is really based on the hope that the end of the crushing and manifestly unfair over-representation of the Liberals in Quebec's last National Assembly could help to relax the set attitudes of quasi-tribal antagonism in the Province. The fact that the PQ is now over-represented does not invalidate the argument, because events may help the French to overcome their deep-rooted but mistaken belief that they are the underdogs.

They really began to break through into positions of power in business and industry in Quebec during the so-caled Silent Revolution of the early 1960s when Mr. Lévesque was a Liberal Minister, and when the age-old domination of Quebec life by the Roman Catholic Church and by a Union Nationale of doubtful political integrity crumpled.

In the more flexible political framework created by the existence of three parties in the new National Assembly, some historic dislikes could be overcome. The personality of Mr. Lévesque himself is central to this argument: ebullient and quick witted—in some ways the copybook Frenchman, he is also accepted by the English as a man to be trusted whatever they may think of some of his lieutenants and radical supporters. The fact that Mr. Lévesque speaks almost impeccable English also helps: in the sort of situation now created where reactions are not always rational every little can help.

In fact even before the election many English-speakers had become reconciled to an upsurge of the PQ—and they even included some who disliked not only its separatism, but also its programme for social reform. Their change of heart did *not* go so far as to cause them to desert the Liberals in overwhelming numbers on polling day: but dissatisfaction was widespread with the Liberal failure to deal with a 10 per cent. unemployment rate, with the inability of Mr. Robert Bourassa's Government to quell constant strikes, with irregularities such as are common in North American local politics but perhaps more so in Quebec than in some other places.

Mr. Bourassa himself, a prim-seeming representative of the business establishment, did not live up to his carefully fostered image of a technocratic mastermind. In 1974 he swept the polls with the promise of 100,000 jobs to be created in Quebec: instead, the Canadian recession presented him with a 10 per cent. unemployment rate and with a growth rate at all times worse than in neighbouring Ontario.

Above all the English were dissatisfied with his Bill to make French the official language of Quebec—though there they may yet find that they have leapt from the frying pan into the fire. Mr. Lévesque has promised that the children of English-speaking residents will be allowed to go to English schools—something that is not assured under the existing Liberal law. New immigrants will have to attend French schools. That does safeguard the position for those who are already *in* Quebec, including some 600,000 immigrants from Italy, Greece and other countries who speak neither French nor English, and who preferred their children to be taught in English rather than French. Some of their votes, and some English too, went to the Union Nationale; the resultant splitting of the anti-PQ vote goes a long way to explaining Mr. Lévesque's victory.

Though it is already intended to make French the prevalent business language in Quebec, Mr. Lévesque like his predecessors will have to accept that big Canadian companies with headquarters in Montreal—like the Royal Trust or the Royal Bank—will continue to use English in their boardrooms whatever may happen in the branches. Plainly, Mr. Lévesque is not interested in encouraging them to leave the province as so many *others have already done*, attracted by the more dynamic business climate of Toronto.

Nor is a PQ Government likely to relish the prospect of doing without transfer payments running at about $1bn. a year from the Federal Treasury which are intended to level wealth and income across Canada. The PQ argues that they would not be needed if Quebec industry had prospered as much as that in neighbouring Ontario. For it to do so now would require investment, investment, and more investment, which will have to come from elsewhere in Canada or from the U.S. The $1bn. placement made on Wall Street this year for the James Bay hydro-electric scheme indicates the orders of magnitude involved. As it is, Canadian labour costs are such that little direct investment as opposed to loans is coming from the U.S. A period of political turbulence could have disastrous consequences at a time of great uncertainty about world economic trends.

Should Quebec, none the less, go independent, the consequences for the survival of rump Canada are unforeseeable. It is hard to visualise the Atlantic provinces remaining in federation with the rest isolated, hundreds of miles away, the other side of Quebec. Maybe the economic pull of the U.S. would be too great and one might eventually be left with a North American free trade area of the U.S. and several bits and pieces of Canada. The idea of a free trade area of Quebec and the rest of Canada has been floated in the past by Mr. Lévesque.

If looked at closely, the issue of separation overlaps again and again with more mundane matters — economic management, clean government, a reasonable solution to the language problem. If Monday's vote has brought home the urgency of these questions it could do good. But if solutions are not found, if French and English resentments are given free rein, then the situation will be fraught with danger.

Letters to the Editor

...ation ...ounting

...Financial Director, ...nd Unilever NV

...e have been following ...siderable interest the ...dence on inflation ...g in your columns— ...d agree with much of ...fferty's analysis of ...3.

...s more at stake, how- ...o the standing of the ...g profession. At issue ...dibility of industry in ...pts to present to ...nt, shareholders, em- ...nd the public at large, ...icture of its perform- ...efficiency in an infla- ...tuation.

...are two fundamental ...on inflation-proofing ...first, how to define the ...e of the business" and ...whether this "sub- ...should be inflation- ...n terms of general pur- ...ower, or in terms of ...ges which are specific- ...ted to the particular ...cerned.

...ppears to be a wide ...f agreement that fixed ...stocks are part of the ...e" and should be in- ...ofed in specific price ...rms. There is not yet ...reement among either ...nting profession or ...side as to whether ...items are part of the ...e" or are not, nor is ...eral agreement as to ...on which they should ...n-proofed.

...is state of affairs, we ...cide how to move for- ...ere is an urgent and ...need for business to ...thing better than the ...satisfactory and often ...historical cost ...system. Otherwise ...anies may continue to ...xes against profits ...not exist, distribute ...which may in part be ...f capital rather than ...d present a picture of ...formance in invest- ...operations which is ...to the real present ...e assets used.

...view, therefore, that ...press ahead rapidly ...areas for which sub- ...greement exists—the ...adjustments — and ...lement them as soon ... At the same time, ...e between industry, ...t and the accounting ...on monetary items ...ontinue under the ...f the Morpeth Com- ...s the issues are both ...y complex and the ...strongly held diver- ...among a wide range ...d parties both in the ...abroad, considerable ...be required to reach

...., therefore, that the ...andard on Inflation ...will enable us to ...quickly the areas of ...while leaving the way ...further discussion on ...tems.

...m.

...ouse, E.C.4.

...rolling

...P. Tarrant-Willis.

...last we ratepayers are ...pport from those in ...was delighted to read ...12) that Mr. Frank ...neral secretary of the ...nd Plumbing Trades ...written "when local ...cut back, dustmen and ...ers got the sack, while ...mmittees and White- ...ucrats protected the departmental staff quotas that governed their position and income."

He inferred that you do not usually find empire building amongst dustmen or road sweepers. Perhaps it is true that few people would want to admit to wearing the chief dustman's hat, and that this work is understood to be capable of precise measurement and costing.

I read elsewhere that at Wandsworth Council the staff employed rose by just under one half from April 1970 to April 1976 while over the same six years the population served fell by one in ten. Significantly the number of employees in the refuse collection department stayed at 264 and in the street cleaning department the number rose from 138 to 150 (perhaps more streets were found to clean).

All this seems to say that while nobody was actually sacked, at least one can be sure that the nature and description of the work discouraged any expansion simply to increase the establishment. Does this conclusion provide the beginnings of a recipe to control and reduce government manpower costs?

Peter Tarrant-Willis.
20, St. Ann's Villas,
Royal Crescent, W.11.

Index-linked pensions

From Mr. J. Wrapson.

Sir,—While I have appreciated the arguments of those who criticise inflation proofing of the pensions of a "privileged" section of society, I am at a loss to comprehend the logic that this should be stopped. Apart from the obvious battle with the civil service unions that would ensue and the political suicide for whichever party decided to adopt this measure, it surely is a fact that the pensioner of to-day, and more particularly of yesterday, has the same problem of inflation as everyone else, except that he is on a fixed income.

It seems, therefore, more appropriate to campaign for everyone to have index-linked pensions, like the civil service pensioners, and for these to be financed out of general taxation, as is the case for some schemes in the private sector, which even then cannot hope to keep up with the present rate of inflation. It may appear to be an unfortunate time to make such a suggestion when heavy Government spending is also being criticised—but that does not help the pensioner. It may also appear to be administratively impossible to achieve.

Is it so impossible? I am sure that it should be feasible using the PAYE system and the Inland Revenue as the vehicle to inform the Department of Health and Social Security of the amounts of pension income, and this would include self-employed pensions and annuities, that should be indexed so that the increase calculated could be paid along with the State retirement pension. The Inland Revenue should also be in a position to determine the amount of any indexation already provided from, say, an occupational scheme and could take this into account when advising the DHSS. This would only be an interim measure because it is unlikely that occupational schemes would continue to index if the State took on the responsibility.

The Castle scheme itself, when it is introduced in 1978, will go some of the way towards my suggestion because the additional component will be linked to the prices index and for those contracted out, the State will assume responsibility for indexing the guaranteed minimum pension from State retirement age.

Instead of dragging down the pensions of civil servants, why not join them and have the private sector, including the self-employed, treated the same way. Dare I suggest that this could be the opposite of political suicide for the party that introduces it?

John H. Wrapson.
Mariners 2,
Tollwood Road,
Crowborough, Sussex.

Beliefs into action

From the Director, Aims for Freedom and Enterprise.

Sir,—May I ask your forbearance at yet another letter from me on the subject of compulsory worker directors—but the letter from the Opinion Research Centre (November 12) really sums up many of our problems in Britain on this and other subjects.

As Mr. Thompson rightly points out, the public, workers and trade unions are not in favour of the union based solution. The trouble is that there are many other opinion surveys on many subjects which show the public is basically opposed to most of the radical policies of this present Government. Monotonously, year after year, surveys commissioned by Aims show that the public reject further nationalisation. They are afraid of extremists whom they believe pose a real threat, they reject political strikes, and so on. Most of those who voted for the Labour Party did so for interesting reasons but not because of policies approved by Mr. Jack Jones, Mr. Wedgwood Benn, Mr. Heffer, etc.

The big problem therefore is not that of beliefs of people. It is how you have those beliefs translated into action.

Michael Ivens.
P.O. Box 443,
5, Plough Place,
Fetter Lane, E.C.4.

Transport and tax

From Mr. D. Aston.

Sir,—Mr. Andrew Warren (November 13) secretary of Movement for London (provided it's by car and tax-deductible?) should remember that London Transport users may well be subsidised but they pay taxes and buy their movement out of taxed income. One wonders what would have happened to the "free-market" demand for movement by car into, out of and around central London, together with private central-area parking, if car-users and their employers had to pay exclusively out of taxed income.

There is also one type of subsidy even more profligate than a "blanket" public transport subsidy—a tax concession which is worth more the higher your gross income, the bigger the car and demand for road and parking space and the greater the amount of fuel you use.

D. Aston.
Polytechnic Commerce Centre,
Birmingham.

Academia and industry

From Professor J. Wilkinson.

Sir,—Much attention has been given recently to the alleged failure of British Universities to produce graduates who enter productive industry. As a visitor to a university which has an excellent record in this matter, I feel that some credit should be given where it is due and some thought given to the reasons for comparative success.

In a recent speech, Lord Robens, Chancellor of the University of Surrey, quoted the statistics for Surrey, which are indeed very favourable compared with those for all U.K. universities (given below in brackets), although no doubt other technological universities can vie.

Over 1973 to last year 56.7 per cent. (40.6) of all primary graduates from Surrey went directly into U.K. employment. Of these, 46.3 per cent. (30.3) went into manufacturing industries: inclusion of other wealth-creating industry and commerce, such as engineering, banking, insurance and tourism, raises the figure from 46.3 per cent. to 80.8 per cent.

Lord Robens referred to the industrial year (Surrey runs a "thick" sandwich in most departments) as a major factor, but I believe there is a wider cause. Most departments at Surrey are assisted by visiting professors and lecturers from industry, who are able to talk to students and faculty from personal knowledge of the pleasures and problems of industrial life. Furthermore, we visitors are fully supported in our various efforts by the university establishment—this is a *sine qua non*.

The key is to build into the academic structure an awareness of industry. All methods must be used: the sandwich, visiting staff, exchanges of staff, co-operative research, etc. This process needs to be vigorously extended, even, or perhaps especially, in the more academic disciplines. Sir, it even needs to be extended at Surrey, but we are at least trying very hard.

My experience over a large number of years as a works director, a research manager and member of many national and international bodies has convinced me that the major enemy is ignorance, not hostility. To dispel this ignorance, Academia and industry must work together on the lines already shown to be at least partially successful.

J. B. Wilkinson.
(Visiting Professor in Home Economics, University of Surrey.)
16, Ormond Crescent, Hampton, Middlesex.

Engineering students

From the Honorary Secretary, East Midlands Branch, Institute of British Foundrymen.

Sir, — It is with considerable interest that I have read, listened to and debated with colleagues the issues raised in the Financial Times, over the past few weeks, concerning the lack of students entering the engineering field. Perhaps some of us in engineering may be forgiven the touch of cynicism with which we listen to politicians suddenly extolling the virtues of a career in industry after so many years of reduced differentials, a tax system designed to discourage any increased effort, and a deplorable status compared with other professions.

What is amazing is that the number of people choosing to set up manufacturing industries and enter industry still continues, albeit at a reduced rate. The point which does appear to have been missed in the current debate is that an increase in engineering students now will not yield any results for the *next* few years, that is, until they have finished their education and established themselves in industry.

The establishment of a sound economy with adequate social amenities depends first and foremost on an adequate industrial base, with suitably qualified technologists/managers who can translate ideas into practice and create the improved production techniques to produce the goods.

Industry itself is not completely blameless. It must encourage membership of the professional institutes within industry while the professional institutes themselves should start to speak much more forcibly on matters affecting the economic wellbeing of not only their members but of the nation as a whole. To accept a situation where in British universities last year 11,918 students were studying medicine, 147 Welsh language and 162 production engineering undoubtedly indicates where students consider the best opportunities to prevail. No doubt it would also be interesting to know how many were studying social science subjects and deciding that the ills in our economy are in part due to a lack of suitably qualified engineering graduates.

While the above is a personal view, it also encompasses many of the views which have been expressed to me by youngsters entering my own particular branch of engineering and the views held by those who have unfortunately opted out of engineering.

G. A. Allen.
17, Heather Close, Newthorpe, Notts.

Tokyo Stock Exchange

From Mr. J. Kinsley.

Sir,—Your survey of Japanese International companies (November 9) certainly makes very interesting reading and provides an explanation as to why the Tokyo Stock Exchange has outperformed all other stock exchanges during the past few years. But can the Governments of other countries doze peacefully while Japanese firms steal their own domestic and export markets?

All the lucky people who invested in Japanese securities mainly through the medium of certain unit trusts must be feeling very pleased with themselves, but they would be well advised to watch events closely from now on. With almost negligible dividend yields Japanese securities could suffer the same fate that overtook many American and British "glamour stocks" when prices had been pushed up to ridiculous heights.

The first country to limit or ban imports from Japan could cause a collapse in Tokyo stock market prices, because many other countries would probably follow suit.

J. Kinsley.
4, Martins Plain, Park Road, Stoke Poges, Slough.

Markets and money

From Mr. M. Anderson.

Sir,—Your leader (November 2) suggests that injection of Government money into a company where the market for its products has declined to a point where it is no longer viable, is not in the interest of the employees, the company or the nation.

Perhaps some of our civil servants, together with the TUC and CBI should make a special investigation into what goods we import into this country which we could competitively manufacture here. Money could be made available for these projects instead. While this will not solve the short-term unemployment problem, it will in the medium to long-term reduce unemployment and the balance of payments deficit.

M. T. Anderson.
11, Bunney Lane, Keyworth, Nottingham.

To-day's Events

GENERAL

Trade unionists lobby Parliament in protest against cuts in public expenditure and hold meeting in Central Hall, Westminster.

CBI Council meets.

Mr. Leonid Brezhnev, general secretary, Soviet Communist Party, leaves Yugoslavia and begins visit to Romania.

Mr. Albert Booth, Employment Secretary, speaks at Association of Frozen Food Producers' lunch, Inn on the Park, W.1.

Lord Robens, chairman, Engineering Industries Council, is guest speaker at Machine Tool Trades Association dinner, Grosvenor House, W.1.

Sir Derek Ezra, chairman, National Coal Board, gives Cadman Memorial Lecture on "Prospects for Expansion in Coal," Royal Society of Arts, W.C.2.

Sir Richard Marsh, chairman, Newspaper Publishers' Association, speaks at Printers' Charitable Corporation dinner, Connaught Rooms, W.C.2.

PARLIAMENTARY BUSINESS

House of Commons: Consideration of Lords amendments to Bills.

Commons Select Committee (meeting in public). Expenditure (Environment Sub-Committee). Subject: Planning procedures.

House of Lords: Health Services Bill, report stage. Development of Rural Wales Bill, consideration of Commons amendments.

OFFICIAL STATISTICS

Consumers' expenditure (3rd quarter, 2nd preliminary estimate). Preliminary estimate of gross domestic product based on output data (3rd quarter). Basic rates of wages and normal weekly hours (end-October).

COMPANY RESULTS

Acrow (half-year). Ultramar (third quarter). Unilever (third quarter). F. W. Woolworth (third quarter).

COMPANY MEETINGS

Greaves Orgn., Sutton Coldfield, 12. London and Strathclyde Trust, 2, St. Mary Axe, E.C., 3. Scholes (George H.), Manchester, 12.

COMPANY NEWS + COMMENT

Wheatsheaf expands 47% in first half

ON A TURNOVER 21.5 per cent. ahead at £170.15m., profits of Wheatsheaf Distribution and Trading expanded by 47.4 per cent. to £2.4m. in the 28 weeks ended September 11, 1976. The directors say that they are very optimistic as regards the second half and anticipate a good year.

In the U.K. the group's first 28 weeks performance is 40 per cent. up in profit terms on a 19 per cent. rise in turnover. Profits from the French interests come in at £118,000 for which there is no comparative figure, but a minority of 25 per cent. has to be accounted for, the directors point out.

They feel that the increased profit is all the more satisfactory as it has been achieved against a background of a deteriorating economic climate which has had its effect in the food trade generally.

Construction of the Carrefour at Minworth is on schedule and should open during the spring. Benefits of acquisitions and developments will be increasingly felt next year, although the opening expenses at Minworth will be absorbed as they occur in the first half.

In addition to the Minworth Carrefour, approval has been granted for a further Carrefour at Patchway (Bristol). Further sites have been secured by option and are in various stages of planning consideration.

Members are told that negotiations are in an advanced stage for the acquisition of a Spanish business. It is anticipated that Wheatsheaf's investment will be about £1m.

The interim dividend is raised from 2p to 2.5p to reduce disparity and the directors forecast a maximum permitted total of 5.555p. For 1975-76 a total of 5.05p was paid from profits of £3.9m.

● comment

Wheatsheaf Distribution has lived up to the best of outside estimates with a 47 per cent. pre-tax rise at the interim stage. Wholesale distribution has ploughed ahead with a 27 per cent. jump in U.K. sales despite cutbacks in school and commercial contracts. Trade markets came in with a 26 per cent. advance in the U.K.; the overall increase is 21½ per cent., and 19.3 per cent. in the U.K. Stripping out the French acquisition (which is still on target for £300,000 this year), volume growth in the U.K. was about 5 or 6 per cent. Margins meantime have moved ahead to 1.4 per cent. against 1.2 per cent. Looking ahead to the full year, pre-Christmas sales are already looking good, in part a reflection of anticipated VAT increases and, though there is a certain amount of uneasiness over post-Christmas sales, the year could be in line for nearly £5m. pre-tax. At 107p the prospective p/e is under 8 and the maximum yield is 8.2 per cent., which is a reasonable enough rating until the Carrefour operation really shows its worth.

HIGHLIGHTS

First half figures at Courtaulds are much in line with indications while the underlying trend shows some improvement although there will be some exceptional charges over the rest of the year. At Royal Insurance profits are 135 per cent. higher but the recovery in the U.S. is slower than at General Accident which is surprising. Lex also takes a look at Philips Lamp where, with the recovery tailing off, the third-quarter figures are slightly disappointing. First-half profits at Wheatsheaf are 47 per cent. higher while the gain at GEI is 28 per cent., also following a boost in margins. At London and Northern half-time profits are marginally ahead but a yield of 21 per cent. highlights the uncertain future. However, Muirhead has turned in its sixth sucessive year of growth and, with new products coming on the market, further growth can be expected in the current year.

Godfrey Davis sees big rise

AFTER exceptional debits of £90,000 against £52,000, pre-tax profits of Godfrey Davis rose from £1.25m. to £1.42m. in the half year ended September 30 1976. Turnover increased from £24.06m. to £29.95m.

Subject to an improved supply position of new vehicles and that the repercussions from a possible mini-Budget do not seriously constrain activities, the directors are confident that year-end trading results will show a marked increase on last year—pre-tax profits in 1975-76 totalled £1.31m., before exceptional debits of £84,000.

The net interim dividend is maintained at 0.7p per 25p share —the previous total was 2.721756p.

● comment

In 1975-76 the return on capital employed of Godfrey Davis at 13.9 per cent. was not much above the cost of borrowed money, and the gearing was high at 158 per cent. The chairman forecast a marked improvement for the current year, but first-half pre-tax profits show only a 14 per cent. increase. The car rental side has been the problem area in the past but the 10 per cent. increase in prices made in August could help the second half significantly; the industry has probably become fed up with low returns and perhaps cut-throat competition is being relaxed. The German operation continues to make losses but a decision on whether or not to axe it will be made before Christmas. The other main activities, car distribution for Ford and leisure services, have continued to do well and require much less capital. Earnings per share have fallen each year since 1973, so a genuine recovery is overdue. The shares, at 29p, yield 14.8 per cent. covered 1.3 times by 1975-76 earnings.

HAT ahead in first six months

IN THE six months ended August 31, 1976 profits of H.A.T. Group increased from £1.18m. to £1.26m., on a turnover up from £25.5m. to £29m.

Turnover for the year is expected to exceed that of 1975-76 (£54.1m.) and while inflation continues to reduce net margins, with little prospect of it abating, the directors believe that the company will have another successful year.

The interim dividend is raised from 0.65p to 0.8p net and they forecast a maximum permitted total of 1.7875p. The total for 1975-76 was 1.625p paid from profits of £3m.

● comment

Increased competition in the building supplies sector and the general escalation of material costs has reduced H.A.T.'s pre-tax growth rate to only 7 per cent. in the first half. What is more, sales growth also appears to be on a declining trend. First-half turnover is up by 14 per cent. compared to increases of 17 per cent. and 26 per cent. respectively in the preceding half-years. With further Government cutbacks expected in the next few weeks, competition will almost certainly become more intense. But the group is not entirely dependent on new building (over 40 per cent. of profit comes from maintenance) and, with cash resources currently standing at around £1m.—following the recent rights issue—it is exploring opportunities for diversification. It should therefore be able at least to maintain profits in the current year, which means that the projected dividend, yielding 12 per cent. at 24p, should be well covered.

Muirhead jumps to £1.45m.

ELECTRICAL and mechanical engineers, Muirhead reports a 31 per cent. increase in pre-tax profits to £1.45m. for the year ended September 30, 1976. First half profits had risen from £431,000 to £600,000.

Gross earnings per share are 11.6p (8.3p). The final dividend is a maximum permitted 2.7179p net making a total of 3.3179p compared with 3.0163p previously.

Group sales totalled £16.5m. against £13.07m. Some 60 per cent. of the group's output goes for export. Government orders generally account for 20 per cent. of turnover.

● comment

Muirhead has posted its sixth successive increase in profits since the setback in 1970. With recovery now well behind it, the group can look forward to a steady growth period based on demand for its newspaper page fax machine and a new generation of electrostatic and faster office fax machines. The appeal of these products is that they can save enormous overheads for relatively little capital expenditure and so are apt to be less affected by stringent economy drives in the U.K., still the main market. Meanwhile the fax fashion is likely to grow faster overseas where Muirhead has a good base. The components side might be more affected by U.K. Government cuts, although even here a large proportion of output is for re-export. Muirhead's pace was shown in the first half profits advance of 39 per cent. But the rate was cut by a third in the second half because of the wages award and a lag in prices catching up with more expensive imported materials. In the absence of exceptional factors this year, the shares at 87p look attractive on a p/e of 7.3 and yield of 6.1 per cent.

J. Dawson off £78,670 mid-term

INCLUDING investment income of £37,474 against £39,145, pre-tax profits of James Dawson and Son turned in at £197,145, for the six months to September 30, 1976, a reduction of £78,670 on the corresponding period.

The interim dividend is held at 1.25p. Last year's total was 4.42p from profits of £463,533. Maintenance of the dividend is forecast by the directors.

They explain that as anticipated the order position improved too late to have much effect on first half profits.

Since June the pace of ordering has accelerated, particularly in recent weeks. This, together with a change in pattern of business, has necessitated ordering additional plant and will involve occupation of further space in the factory extension completed two years ago.

It will take time to build production to meet this demand but sales in the second half will be considerably in excess of those for that period last year, they add.

Turnover for the first half showed little change at £1.42m. (£1.48m.). Tax took £100,000 (£143,000) leaving the net balance at £97,143 (£132,813).

J. N. Nichols 5.5p interim

For the half year to September 30, 1976, turnover of J. N. Nichols (Vimto) shows a £0.63m. advance at £2.23m., and taxable profit is up to £257,876, an expansion of £53,422 over the corresponding period. Tax takes £131,800 against £105,294.

Under "close" company status there was a shortfall of 2p in the total dividend paid last year and this will be added to this year's interim lifting it from 3.5p to 5.5p net. Treasury permission has been given.

The directors anticipate that second-half profits will be in line with last year's £175,000, and they forecast a final payment of 3.5p (same) plus any permitted increase justified by results.

The company manufactures fruit compounds, essences, squashes and cordials.

Bids and Deals

Oil Ex. to pay £3.7m. for Bates Oil

In a deal worth around £3.7m. Atlantic Assets is to sell its wholly-owned subsidiary, Bates Oil Corporation—a company incorporated in Delaware which has interests in oil producing properties in the U.S.—to Oil Exploration.

Consideration for the purchase of Bates will be 2.5m. Oil Exploration Ordinary shares and £1.7m. payable either by the issue of loans notes or in cash, at Oil Exploration's option. If the deal goes through, Atlantic, which already holds 285,000 shares in Oil Exploration, will have a holding of 21.4 per cent. of that company's equity.

The news came late last night, well after market hours. Atlantic, an authorised investment trust, managed by the Edinburgh investment house of Ivory and Sime, ended the day 1p firmer at 45p. Oil Exploration was unchanged at 81p.

Atlantic has stated that it intends to retain its holding in Oil Exploration as "a long term investment."

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Trust	2.88	Dec. 31	2.33	4.08	3.5
Ash Spinning ......int.	1	Nov. 29	1	—	3.13
Brit. Inds. & Gen. Inv.	1.95	Dec. 31	1.75	3	2.8
Courtaulds ......int.	2.16	Jan. 10	1.96	—	6.11
Godfrey Davis ......int.	0.7	Jan. 4	0.7	—	2.72
James Dawson & Son int.	1.25	Jan. 10	1.25	—	4.42
Eucalyptus Pulp ......int.	1.75	—	1.5	—	5
Freshbake Foods	nil	—	Nil	Nil	0.18
GEI Intl. ......int.	1.31	Jan. 25	1.19	—	3.39
Gt. Portland Ests. ...int.	1	Feb. 3	1	—	3.55
HAT Group ......int.	0.8	Feb. 28	0.65	—	1.63
D. M. Lancaster	Nil	—	0.18	Nil	0.18
Lon. & Northern ......int.	1.25	Feb. 28	1.25	—	3.25
Midhurst White	Nil	—	Nil	Nil	0.41
Muirhead	2.72	Jan. 21	2.46	3.32	3.02
J. N. Nichols ......int.	5.5	Jan. 6	3.5	—	7
Nthn. American Trust ...	1.75	Jan. 6	1.6	2.45	2.3
Pahang Cons.	2.5(A)	Jan. 24	1.56*	2.5	2.0*
Stockholders Inv.	1.03	Jan. 12	0.88	1.65	1.45†
Wheatsheaf ......int.	2.5	Dec. 31	2	—	5.05
Young & Co. ......int.	1.4	Dec. 9	1.2	—	2.59

Dividends shown pence per share net except where otherwise stated.
*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. (a) Less 40 per cent. Malaysian tax throughout.

London & Northern up to £5.16m. so far

REPORTING pre-tax profits up from £4.91m. to £5.16m. for the first half of 1976, the directors of London and Northern Group say they expect full-year profits and earnings per 25p share to show an improvement on the £9.58m. and 5.52p respectively for 1975.

It is difficult to look much further ahead in the U.K. in the current economic climate they tell members. The group has a reasonable workload for 1977 particularly in the earthmoving division and the North East of Scotland and the spread of interests overseas and throughout the U.K. should assure continued satisfactory trading.

The interim dividend is held at 1.25p net per share. Last year's final was 2p.

	First half 1976 £000	First half 1975 £000	Year 1975 £000
Turnover	113,716	122,651	236,894
Profit before tax	5,159	4,909	9,578
Taxation	2,137	2,605	4,616
Minority interests	1,310	482	1,739
Pre-acq. profits	—	—	188
Attributable	1,662	1,822	3,061
Pref. dividend	35	33	66
Ordinary	718	681	1,791

Profits for the half year, to which the overseas construction interests have again contributed substantially, are in line with expectations although improved results from certain construction divisions have increased profits attributable to minorities.

Group borrowings, all within the U.K., have been substantially reduced. Over the first ten months of the current year net short term borrowings were reduced from £28.6m. to £16.6m., while deferred borrowings rose from £3.9m. to £5.9m.

The reduction in short term borrowings was due principally to the receipt of monies on which deferred payment arrangements had been agreed. This, combined with the acceptance of a new £4m. seven-year term loan from Barclays Bank, has led to an overall position radically different from the last year-end. The directors expect this improved level of liquidity to be maintained and borrowings may be further reduced by the year end.

● comment

London and Northern has got its debt into line with net assets, and the interim dividend is being maintained. But the shares edged up only ½p to 23½p yesterday, where a yield of 21 per cent. continues to take an uncertain view of the outlook. Profits after six months are marginally ahead and the forecast is for some growth overall in 1976, but a construction/housing and scrap-based company like L and N is unlikely to find trading easy in 1977; the housing operations are currently losing money. Still the group debt structure has been radically improved and without asset sales, with L and N citing the collection of contracting debts as the main reason for a £10m. reduction in borrowings since December. By the year-end, debt could be down to £21½m., whereas a year ago tangible shareholders' funds stood at £23½m.

Young Brewery well ahead

INCREASED turnover of £7.28m. against £6.2m., and pre-tax profits up from £593,577 to £856,368 are reported by Young and Co. Brewery for the first half year ended September 30, 1976.

The net interim dividend is raised from 1.2p to 1.4p per share —the total in 1975-76 was 2.5886p from record pre-tax profits of £1.13m.

The directors say that their big investment in new plant is now unlikely to be operational before spring. The delay in the completion of this work has placed great strain on the existing brewery resources both on plant and personnel during the past exceptional summer.

The additional capacity will be invaluable in pursuing the orderly expansion of the business.

● comment

As with the rest of the brewery sector, Young and Co.'s first-half profits benefited from the fine weather of the summer months and profits at the pre-tax level have jumped by 44 per cent. Within a sales rise of 17 per cent., volume growth appears to have lagged behind the sector generally, but this is because the prime volume commodity during the hot weather was lager, an area in which the group has only a limited interest. In fact, sales of the group's real ale appear to have stood up very well to the opposition offered by the synthetic cold beers during the hot weather. Moreover, with the real ale movement (CAMRA) continuing its campaign, it appears to have a resilience not enjoyed by the brews of the majors. After such a strong summer it seems inevitable that second-half profits will be less buoyant, thus reverting to the normal seasonal pattern, but full-year profits of around £1¼m. should still be within reach and that puts the shares at 93p on a prospective p/e of around 7.9, which is in line with the sector average.

ISSUE NEWS

Essex Water £4m. preference offer

Arrangements have been completed for an offer for sale by tender of £4m. of 9 per cent. Redeemable Preference stock 1982 in the Essex Water Company at a minimum price of £94 per cent.

Tenders, which must be received by Tuesday, November 23, must be for a minimum of £100 and accompanied with a deposit of £10 per cent. The balance is due on or before December 21, 1976.

The first dividend, covering the period from November 23 to March 31, 1977, will be £2.535 per cent. net. Thereafter dividends will be payable half-yearly on September 30 and March 31. At the minimum issue price the grossed-up flat yield is 14.73 per cent. and the redemption yield is 15.62 per cent.

Brokers to the issue are Seymour Pierce and Co.

● comment

The last issue of Water stock was Tendring Hundred 1981 at the same price as Essex, and this scraped through by the skin of its teeth. The market has improved since then and the Tendring stock is standing around the equivalent of £94½. The Essex Water issue as £4m. is far larger, and the brokers reckon it will pull in a larger following. Also Essex Water has moved into the 1982 bracket. Early estimates suggest a good response to the issue, with applications substantially in excess of the £4m. offer. Tenders should be pitched over £94½, where the grossed-up yields are 14.65 per cent. flat and 15.46 per cent. to redemption.

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LOCAL LOANS AT 14%

This week's issues of local authority yearlings bonds carry a coupon rate of 14 per cent., a drop of an ⅛ point against last week. The bonds are issued at par and mature on November 23, 1977.

The issues are:—The Receiver for the Metropolitan Police District (£½m.), London Borough of Barnet (£1m.), Blackpool Borough Council (£½m.), Central Scotland Water Development Board (£½m.), London Borough of Croydon (£1m.), Mid Bedfordshire District Council (£½m.), Monklands District Council (£½m.), City of Newcastle Upon Tyne (£½m.), Rhymney Valley District Council (£½m.), London Borough of Southwark (£1m.), Borough of Sunderland (£1m.), City of Manchester (£1m.), London Borough of Enfield (£1m.), Islwyn Borough Council (£½m.), Newark District Council (£½m.), North Tyneside Metropolitan Borough Council (£1½m.), Gravesham Borough Council (£½m.), Greater Manchester County Council (£½m.), Redditch District Council (£½m.), City of Salford (£½m.), Dover District Council (£0.3m.), South Oxfordshire District Council (£½m.), Wansbeck District Council (£½m.), Borough of Milton Keynes (£½m.), Lliw Valley District Council (£0.25m.), London Borough of Newham (£½m.), North Hertfordshire District Council (£½m.), City of Manchester (£1m.).

Rhondda Borough Council (£1m.), Bury Metropolitan Borough Council (£½m.), West Dorset District Council (£½m.), Lothian Regional Council (£½m.), and West Lothian District Council (£½m.).

STODDARD SCRIP

Stoddard Holdings proposes a one-for-one scrip issue in "A"

Willis opens at 195p

Dealings in insurance b[illegible] Willis Faber began to-day brisk market. The 25p opened at 195p, and traded 197p early in the day. [illegible] afternoon dealings had p[illegible] out and the price was do[illegible] 188p a share, and later clos[illegible] 190p. So the market p[illegible] early capitalisation on Wi[illegible] £78m., and after ranging £78½m. to £75m. the market put the shares at 190p capitalisation of £76m. [illegible] basis the shares stand [illegible] prospective yield of 5.7 pe[illegible] and p/e of 11¼.

However, market source[illegible] night were expecting the [illegible] to open much lower to-da[illegible] a price of perhaps 185p ind[illegible] a market capitalisation of [illegible] This compares with estim[illegible] the time of the prospectu[illegible] opening price of around 16[illegible] a capitalisation around £85[illegible]

Since the publication [illegible] prospectus the insurance b[illegible] sector has moved 6 pe[illegible] higher, just marginally ab[illegible] the overall market.

On the closing price of 1[illegible] of the Willis Faber di[illegible] became formal millionaire[illegible] beneficial holdings of Mr[illegible] Faber, chairman, and Mr. Palmer, deputy chairman worth £2.02m. and [illegible] respectively.

C.P. PRODUCTS TO LIQUIDATE

The Kidderminster carp[illegible] cern of CP Products ha[illegible] into liquidation. A Lond[illegible] of accountants have [illegible] appointed as receivers. [illegible] hoped to sell the company [illegible] has 60 employees, as a [illegible] concern.

Courtaulds little changed at six months

TOTAL external sales of ... compared with £532.3m., profits of Courtaulds rose ...8.2m. to £53.1m. for the ...r to September 30, 1976. ... depreciation of £31.3m. ... £26.1m., the pre-tax ... slipped from £22.1m. to ...

...ng results for the full ...e expected to show some ...ment over the £56.3m. for ...r. The reduced value of ... will have a beneficial ...n the return from exports ...econd half. Earnings will ...ted by the necessity to ...ff the balance of assets ... to the proposed closures ...ave been announced, and ...her exceptional items ...g exchange surpluses. ...et adverse effect is at ... estimated to be in the ...f £5m. to £10m.

...osure of loss-making acti... ...r which there is no long ...ture will strengthen the ... ability to support the ...tensive existing activities ...ave good prospects, and ...d into new ones, say the ...

...nterim dividend is lifted ...64p to 2.156p net per 25p ...costing £5.9m. (£5.3m.). ...r's total was 6.107p after ...profits of £48.3m.

	First half 1976 £m.	1975 £m.
...nal sales	692.4	532.3
...K. customers	315.1	265.8
...om U.K.	178.6	132.9
...urplus	53.1	45.2
...n	31.3	26.1
...re tax	21.8	22.1
...	3.8	3.6
...tax	4.0	2.4
...	14.0	16.1
...nterest	4.6	2.4
... dividends	0.1	0.1
...olders' interest	9.3	13.6

...g results from paint and ...g were better than ... but those from fibre and ...ctivities were somewhat ...pectations. The higher ... tax charge and the ... in the minority share... interest reflect changes ...es of trading profit as ...d with last year.

...s were 34 per cent. An increase of 30 per ... volume was achieved, ...modest increase in the ... of prices obtained ...

... first six months the ...ested £45m. in new fixed ...d £60m. to finance an ...n working capital. Cash ... have been reduced by £65m., but the sterling medium term loan facilities of £165m. which were negotiated earlier this year have not been drawn upon.

See Lex

Chairman's Statement Page 30

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Acrow, Chamberlin and Hill, Cope Sportswear, Dartmouth Investments, John Folkes Hefo, Harcros Investment Trust, Hicking Pentecost, F. H. Lloyd, London Prudential Investment Trust, Norwest Holst, P. Panto, Property Partnerships, Robert Riley, Unilever, Unilever N.V., Wight Construction.

Finals:— Assam Consolidated Tea Estates, Barton Transport, Long and Hambly, Mills and Allen International, Morland, Scottish Cities Investment Trust, Town Centre Securities.

FUTURE DATES

Interims:—

Amalgamated Industrial	Nov. 22
Billam (J.)	Nov. 18
Brady Industries	Nov. 25
Brit. Bldg. & Eng. Appliances	Dec. 7
C. H. Industrials	Nov. 19
Coalite and Chemical Products	Dec. 2
Comben	Nov. 19
Deritend Stamping	Dec. 8
Exchange Telegraph	Nov. 25
Invergordon Distillers	Nov. 22
Johnson Matthey	Nov. 24
Moss (Robert)	Dec. 10
Old Swan Hotel (Harrogate)	Nov. 20
Racal Electronics	Dec. 2
Rediffusion	Nov. 26
Scapa	Dec. 3
Vernon Fashion	Nov. 25
Wharf Mill Furnishers	Nov. 19

Finals:—

Comet Radiovision Services	Nov. 23
Davenports Brewery	Dec. 2
Dennis (James H.)	Nov. 16
Matthew Brown	Nov. 29
NSS Newsagents	Dec. 7
National Westminster Bank	Mar. 1
Proprietors of Hays Wharf	Nov. 23
Ranks Hovis McDougall	Dec. 7
Sandhurst Marketing	Nov. 24

N. American Trust revenue higher

Net revenue of the Northern American Trust Co., increased from £779,430 to £806,635 in the year ended November 1, 1976, after corporation tax of £48,000 against £117,000 and imputation tax of £427,914 compared with £349,183.

Earnings per 25p share are 2.47p (2.38p) and a net final dividend of 1.75p makes a total of 2.45p against 2.3p.

Net asset value per share is 94.3p (92p).

Hunt & Moscrop expansion

THE CHAIRMAN of Hunt and Moscrop (Middleton), Mr. E. W. Hunt says the group now has the ability and capacity to handle a further large increase in turnover and provided the world economic climate continues to improve, he looks forward with a degree of optimism.

In spite of the group having expanded substantially in the last few years, the chairman believes there is an excellent long term future for the six product categories.

Furthermore, he believes that despite recession-like conditions, the group should continue to invest in plant and equipment for future growth and profitability. Consequently directors have embarked on the expenditure required for the segregation of the paper and textile machinery divisions, and at the same time made available substantial long term capacity at the Hunt-West subsidiary.

At present, the group has cash resources which are adequate to cover the capital expenditure programme and to finance the current level of trading activity, the chairman adds.

Most other subsidiaries have the means to take on more work in the short term without additional facilities and the directors have no intention of running the group under siege conditions, thus ignoring the long-term opportunities, says Mr. Hunt.

The low value of the pound should help with export prospects and there is a profitable base in Canada where the group continues to look for further expansion opportunities.

For the year ended June 30, 1976, profits before tax increased from £741,072 to £1.05m. on turnover of £11.33m. against £11.08m.

Heat exchangers accounted for 28 per cent. of turnover; textile machinery, 12 per cent.; paper machinery, 12 per cent.; effluent plant, 16 per cent.; process plant, 18 per cent. and general purpose machinery, 14 per cent.

During the year the group exported goods valued at £1.93m., representing 17 per cent. of total turnover. A geographical analysis of exports shows North and South America and Canada, 20 per cent.; Europe, 37 per cent.; Africa, 9 per cent.; Middle East, 6 per cent. and Asia, 28 per cent.

Meeting, Manchester, December 9 at noon.

RECENT ISSUES

EQUITIES

Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Rate Amount	Times covered	Gross Yield	P/E Ratio
—	£101¼	930	AmericaMedInt.Inc.($)	915	−15	Q24c	—	1.6	—
—	£29	£21½	Berry Pacific Fd US$1	£27	......	40c	—	0.6	—
17/9	70	56	Borthwick (Thos.) 50p	64	+1	b5.5	2.0	16.2	5.7
—	£30¼	£25	Dentsply Int. Inc. ($1)	£25¼	......	—	—	—	—
—	£31⅞	£25⅛	Esmark $US1	£25¼	......	Q$1.52	—	3.5	—
—	140	98	Tolux S.A. 11	140	......	—	—	—	—
—	30⅞	29⅛	Utd.Technologies US$	£29½	......	Q$1.20	—	2.6	—
[illegible]	197	158	Willis Faber 25p	190	......	g7.0	2.4	5.7	11.1

FIXED INTEREST STOCKS

Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
29/10	97½	97	Eastbourne Waterworks 9% Red. Pref. '83	97½	......
—	$100	$96½	Gotaverken 8½% Notes 1983	$100	......
—	LF99	LF98	Ind. Fund of Finland 9% Guar. Notes '84	LF99	......
—	$100	$99	Kockums Mek 8% Guar. Notes 1983	$99	......
—	98KD	98KD	Korea Development Bk 8½% Guar. Bonds 1979	98KD	......
4/8	96½	93	Mid-Sussex Water 8% Red. Pref. 1981	93	......
26/10	98¾	97	Mid-Sussex Water 14½% Red. Deb. 1982	98¼	......
—	70	70	Newman Inds. 10% Cum. Pref.	70	......
28/1	107	96½	Tate & Lyle 13% 1994-99	106½	......
—	£101½	101½	Tendring Hundred W'wks 9% Red. Pf. 1981	101½	......
—	2	1	Tri-Ntl Coal Cp-Do-15¼% Prv.Cv.UnDb1987/91	Nilpm	......
—	75	75	Willis Faber 7% Cum. Pref.	75	......
19/11	98¾	98	York Water 15% Red. Deb. 1984	98	......

"RIGHTS" OFFERS

Latest Renunc. Dates †	Latest Renunc. Dates ‡	1976 High	1976 Low	Stock	Closing Price p***	+ or −
27/9	12/11	11	8	Bonas Webb	8½	......
—	3/12	385	240	Broken Hill Props.	240	......
—	—	1½	½	Cray Electronic	1½pm	......
22/10	11/12	31	26	Fairbain Lawson	28½	......
1/11	17/11	139	119	General Accident	129	+3
29/10	10/12	128	101	Howden (Alexander)	128	+4
3/12	17/12	65	42	National Bank of Australasia	53pm	+3
—	—	11	4	Trans-Natal Coal	10pm	−1
18/6	—	141	80	Western Mining	83	+5
—	—	94	47	Woodside-Burmah	70	+5

...ation date usually last day for dealing free of stamp duty. a Placing ...lic. b Figures based on prospectus estimate. d Dividend rate paid or ... part capital, cover based on dividend on full capital. p *** Pence ...wise indicated. u Forecast dividend: cover based on previous year's ...s Figures based on prospectus or other official estimate for 1976. ...gures assumed. ‡ Cover allows for conversion of shares not now ranking ...s or ranking only for restricted dividends. ** Issued by tender. ... holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights ...apitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in ...ith reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ...erence holders. ‡ Allotment letters (or fully-paid). † provisional or ...llotment letters. # With warrants. ⊕ After suspension. KD Kuwait Dinar.

GEI tops £1½m. in first half

FOLLOWING THE announcement in July that first quarter profits were appreciably ahead, GEI International, the engineering concern, reports a rise of 28 per cent. to £1.5m. in the pre-tax balance for the first six months ended September 30, 1976, on a turnover up by 16 per cent. to £17.23m. Margins improved from 7.9 to 8.7 per cent.

Commenting on the results, Mr. Thomas Kenny, chairman, says the principal benefits flowed from those subsidiaries exporting or supplying a substantial part of their production to customers whose output is largely exported.

The improvement in orders revealed in July continued, and at September 30 order books were 25 per cent. higher than at the end of the last financial year, he reports.

The financial position remains strong with net cash balances of £3.7m. Capital expenditure plans outlined in the annual report are proceeding and will be operational on the planned dates.

"We remain confident of the future despite all the handicaps imposed by Government," declares Mr. Kenny.

The interim dividend is raised from 1.187p to 1.306p net absorbing £335,000 (£302,000)—the total for 1975-76 was 3.386p paid from profits of £3.03m.

● comment

The goods news at GEI International has come sooner than expected and the capital investment has paid off with a 10 per cent. improvement in profit margins. Exports — direct or indirect — are the main reason for the 25 per cent. increase in order books and the higher profits in bus and truck wheel rims, air pressure vehicles and earthmovers as well as in the newly acquired Tobenoil division. But the steel side is also doing well, so, with 60 per cent. of profits traditionally coming in the second-half, final pre-tax figures could be £3¾m. On a share price of 46p the maximum dividend would yield 12.8, twice covered. The prospective p/e is 6.4.

Buoyant first half at Letraset

The chairman of Letraset International, Mr. W. Fieldhouse, states that although details of the first half of the current year must await the announcement in January, he reports that the group has had a successful six months.

Volume of sales has continued the progress experienced during the second half of last year and profit will show a substantial advance over the £1.6m. in the first half of 1975-76. Cash flow remains buoyant, he adds.

Maintained progress at Freshbake

On sales 20 per cent. higher at £6.36m. Freshbake Foods has turned in a profit of £44,555 for the year ended September 30, 1976, compared with a loss of £238,455 for 1974-75. The profit includes a surplus of £6,486 on the sale of freehold property.

With the continued growth of the frozen convenience food market and the maintenance of new product development work, the group expects to gain new business in the coming year, the directors state.

Increased capabilities of the Sittingbourne plant places the group in a position to cope well with increased sales. They are, therefore, cautiously optimistic that the results for the current year will be a further improvement on the real progress made in the last year.

There is again no dividend—the last payment was an interim of 0.125p net in respect of 1974-75. Thomas Borthwick holds a controlling stake in the company.

	1975-76 £	1974-75 £
Gross turnover	6,359,887	5,302,651
Profit	44,555	*238,455
Tax credit	22,858	†91,989
Net profit	21,697	*146,466
Loss on sale	20,764	—
Dividends	—	16,093
To reserves	933	‡162,559

* Loss. † Charge. ‡ From reserves.

Moves to change Sime Board

BY MARGARET REID

AN ATTEMPT to get three new directors voted on to the Board of Sime Darby Holdings, the big British-registered Eastern trading group, has been made on behalf of the Malaysian State-owned concern, Pernas.

The move could lead to a major clash at the annual meeting in Kuala Lumpur on Friday unless there is an earlier solution of certain differences between the group and Pernas.

Pernas, which is spearheading Malaysia's "bumiputra" policy of extending the interests of the country's nationals in companies operating in its territory, holds at least 10 per cent. of Sime Darby's shares and may, in the opinion of some Eastern observers, indirectly influence considerably more.

On Monday, Sime Darby received notification from Rothputra Nominees, the merchant bank which acts for Pernas and in which N. M. Rothschild and Sons of London has an interest, that it planned to propose the appointment of three people to the Sime Board.

They are Tunku Ahmad bin Tunku Yahaya, who is managing director of Dunlop's Malaysian interests, Mr. Yee Cho Yaw, chairman of the Singapore-based United Overseas Bank, and a Philippines banker, Mr. Sixto Roxas, President of Bancom.

Election of the three personalities, all prominent people in South-East Asia, without the backing of the existing management, would mean that a major challenge had been effectively staged to the authority of the Board, which is headed by Mr. Jim Bywater. It would also be likely to involve certain existing directors being ousted at the same time, since the size of the Board is limited.

The 12-man Board, which is predominantly British, also includes Dr. Keith Bright, chief executive, Mr. Stanley Booton, Mr. Robert Constable, Mr. Leslie Patterson and Mr. Antony Sumner, all executives, Mr. Kenneth Eales and Mr. Kenneth Morton, executive directors until recently, and four other non-executive directors. The latter are Dr. Chan Chin Cheung, who is a director of Malaysia's central bank, Bank Negara, Tun Tan Siew Sin, a former Malaysian finance minister, Tan Sri Taib Andak, chairman of Malaysia's largest and Government-controlled bank, Malayan Banking; and Yong Pung How, a director of the big Singapore bank Overseas Chinese Banking Corporation.

Those seeking re-election are Mr. Eales, Mr. Patterson, Mr. Booton, Mr. Constable, Mr. Sumner and Tan Sri Taib Andak.

There are signs that the Sime management has been approaching some shareholders in the last week for proxies at Friday's meeting.

Sime has always made it clear that it accepts the Malaysian bumiputra policy—envisaging an ultimate 30 per cent local interest in Malaysian companies by 1990—and discussions about its implementation have taken place.

There have however been differences between Sime and the Malaysian authorities, partly over the latter's claim that no new shares should be issued by Sime without their consent. Another, and perhaps more seriously contentious matter is that Sime is known to plan further international expansion through takeovers outside South-East Asia, a *project which may not be welcome* to some shareholders in that area.

Further discussions on the disputed matters are, though, thought to be taking place ahead of the meeting.

Mr. Bywater said recently: "We have always made clear that we wish to meet the new economic policy in Malaysia and we have made proposals to that end. So far we are in discussions and nothing final has come from those *discussions.*"

Observers believe that something like 82 per cent. of Sime's shares are now held in the East, about 48 per cent. being owned in Singapore and some 34 per cent. in Malaysia.

Smiths Inds. sees another satisfactory year

IN TERMS OF available capacity, managerial talent and finance, the resources of Smiths Industries are fully adequate to exploit an upturn in demand in the U.K. or internationally when it occurs, says the chairman Mr. E. R. Sisson, and the directors would in any case, at present demand levels, expect another satisfactory year in 1976-77.

Notwithstanding the company's substantial direct and indirect export business, its fortunes in the current year depend to a considerable extent on events in the U.K., he tells members.

There are, however, some encouraging signs of recovery in international trade and the group is placing great emphasis on exploiting its export potential. In these efforts price competitiveness and price stability are of paramount importance.

As reported on November 12, turnover expanded from £157.5m. to £180.85m. in the year to July 31 and pre-tax profits rose from £12.54m. to £16.17m. The dividend is 6.4883p (5.8985p) net per 50p share.

Mr. Sisson says the satisfactory result again reflects the strength derived from the large spread of group businesses and the measures taken to improve productivity and *efficiency.*

Inflation adjusted accounts show pre-tax profits of £6m. on a CCA basis.

A statement of source and disposition of funds indicates an increase in cash of £4.78m. (£4.44m.).

Meeting, Cricklewood, N.W. on December 9 at noon.

● comment

The accounts show that Smiths Industries continued to conserve resources last year, with stocks falling a little in real terms; and, although spending on fixed assets recovered from £2m. to £3.2m., this was still some way short of depreciation (on a current cost basis) of £4.8m. In this, Smiths must be fairly typical of British industry, for it still has a substantial measure of spare productive capacity and investment plans are *concentrated on the improvement* of productivity and efficiency: nevertheless, capital spending is likely to rise further in the current year. Gearing remains low after the 1975 rights issue, in part designed to support a sizeable U.S. acquisition which, in the event, never came off. And indicated current cost profits now fully cover the dividend befoer taking into account gains on monetary items. Prospects for the current year, moreover, look reasonable, and the shares yield 9.6 per cent. at 104p.

[هكذا في الأصل]

Royal up £30m. at nine months

...TS for the nine months to ...mber 30 of Royal Insurance ...any were more than ...d at £53.1m. against ... subject to tax of £19.1m. ...red with £8.8m.

...the half-way stage profits £34.5m. (£16.8m.) while the ...s for all 1975 came to ...n.

...niums written in the nine ...s expanded from £573.5m. ...79.9m. The underwriting ...was £14.9m. (£22.4m.) ...ing U.S. losses of £19.7m. ...n.) and U.K. and Eire ...of £0.4m. (£2.2m.).

...stment income was up ...43m. to £65.4m. Net profits ...20m. higher at £33.8m. and ...gs per 25p share rose from ...to 22.5p.

...directors state that the ...of the depreciation of ...g on the comparison of the ...onths results is significant ...nderwriting result for the ...months was adversely ...d to the extent of £2.75m., ...investment income bene...y some £7.75m.

...egards the U.S. the effect ...reciation of sterling has ...to transform a dollar ...ement—as indicated by ...duction in the operating ...om 107.7 per cent. to 105.6 ...nt.—into a worsening in ...terms.

...improvement was due to ...losses in the automobile, ...ners and general liability ...he result in workers' com...on, however, deteriorated ...increased claims frequency ...adequate rate levels in

...anada, the improvement ...loss of £2m. to a profit ...n. reflects better results in ...major lines of business ...personal property, where ...was aggravated by the severe storms early in the year.

In the U.K. the reduced level of underwriting profit was due to the householders account being in substantial deficit. In addition to the heavy losses from the January storms, subsidence claims, mainly caused by drought conditions, totalled £3.2m., the bulk of which were reported in the third quarter.

The increase in subsidence claims arising out of householders' business—on which insurance companies in general have tended in the past to make a profit—is likely to cause a change in the attitude of the industry. Almost certainly the emphasis will be on trying to persuade householders to insure their property for the appropriate amount after inflation.

On the question of U.K. motor insurance premiums, which were increased from September by 10 per cent., the improvement in the repair index—compiled on the basis of spare parts prices and hourly labour rates in garages—evident at the half-way stage at Royal has tended to slow down.

On the investment front, Royal has been a net disinvestor over the period despite having taken up all its allocations of rights issues. The switch has been into the gilt-edged market and new funds coming from the life and general business are expected to go in the same direction.

In Australia, where there was a profit of £2.1m. (loss £3.4m.), the satisfactory recovery performance has been sustained.

The underwriting loss of £2.4m. in Europe was more than accounted for by a continuing adverse experience in the Netherlands, while in other overseas territories the results overall remained profitable, at £2.9m.

See Lex
Statement Page 32

...ope Allman forecasts ...5m. for first half

A RAPID improvement in ...four months of the year ...26, order books at Cope ...International are now ...off. Nevertheless the ...much higher than that at ...most group companies ...over the previous 18 ...states the chairman Mr. ...nson.

...esult of this upturn and of ...s taken to strengthen the ...nent and financial struc...some companies, profit in ...quarter of this year ...the £1.62m. for the first ...ths of 1975-76. The half...December 31, 1976 should ...profits of not less than ...Although second half ...sually exceed those of the ...directors are not at this ...epared to forecast the full ...sults because of the un...conomic outlook.

...the recession, a number ...cts and activities in the ...g division were dis...d and new products, pro...nd plant and machinery ...roduced both to enable ...p to replace those activi...ch had been eliminated and to improve those retained.

The present aim is to restore the profitability of continuing products to the levels achieved in 1973-74 while, at the same time, bringing further new products on stream.

In view of the current year's heavy capital expenditure programme, it is anticipated that the group will not generate a cash surplus in 1976-77, but existing bank facilities are fully adequate to cover its requirements for that year. The following year, however, should see the fruits of that programme in the form of a reasonable cash surplus and the group is actively looking for acquisition opportunities, particularly for the calendar year 1977.

Capital expenditure for 1975-76 amounted to £7.2m. The budget for 1976-77 is £10.2m., bringing the total for the three years ending June, 1977, to approaching the £26m. projected two years ago. The major items of expenditure this year occur in the packaging division.

As reported on October 1, pre-tax profits for 1975-76 were £5.37m. against £5.81m. on sales of £116.84m. (£107.4m.).

MINING NEWS

Charter makes a good half-time showing

BY KENNETH MARSTON, MINING EDITOR

"SATISFACTORY TO the point of being rather better than expected" was yesterday's share-market summing-up of the results of Charter Consolidated for the six months to September 30. In late dealings the shares edged up to 134p after having been 130p.

The interim dividend has been raised to 2.75p from 2.5p last time when the final was 4.25675p. Net profits for the half-year are slightly higher at £9.54m., or 9.39p per share, compared with £9.8m. a year ago and the total for the past year to last March of £20.2m.

The latest results do not take into account the gains and losses on exchange rates which will be treated as an extraordinary item in the full year's figures; on present indications, Charter should show a net gain in this respect.

Pre-tax profits in the latest period have advanced to £20.6m. from £16.8m., largely because of the increase in trading income which has been boosted by the good earnings of Cape Industries. By the same token, however, such profits have attracted a sharply increased tax charge, the total being £9.4m. against £5.9m.

The outlook for the current half-year is of continuing good trading profits and a net rise in investment income; on the latter score a likely fall in that from gold should be offset by higher returns from other sources. Share-dealing profits, however, cannot be expected to match those in the second half of 1975-76 which were boosted by the sale of 10m. shares of the company's holding in Rio Tinto-Zinc.

On balance, it seems that the full year's results of Charter could still show a modest increase on those of 1975-76 and that the year's dividend total will be raised by the full permitted amount.

The hurdle to be crossed in the meantime is that facing the controversial Cleveland Potash operation in Yorkshire which is suffering from technical mining problems and low productivity, but I hear that the first of the new mining machines now being installed is working well.

RCM boosts earnings

THE ZAMBIAN copper producer, Roan Consolidated Mines, is climbing out of the recessionary trough. Net earnings in the three months to the end of September, the first quarter of the financial year to June 30, are K8.69m. (£6.8m.), compared with only K299,000 in the same period last year.

The latest quarterly earnings, however, are struck after deducting an exchange loss of K15.2m. which has resulted from the increase in Kwacha book value of net liabilities in foreign currencies on Zambia's 20 per cent. devaluation on July 8. It is added that while the impact of devaluation on cost of sales was not large in the past quarter, it will increase in future.

But RCM, which is 51 per cent. controlled by the Zambian Government, is paying no dividend. This is consistent with the annual statement of the chairman, Mr. Ackson Soko, who has said that borrowings from the Bank of Zambia, standing at K52m. (£40.7m.) at the end of June, would have to be substantially reduced or eliminated before dividend payments were resumed.

In 1975-76 RCM paid no dividends and had a consolidated net loss of K292,000 (£229,000). But it made an operating profit in the final quarter of the year, and the new trend that was established then has carried over into the current financial year.

Despite their recent unsteadiness, the increase in London Metal Exchange copper prices has worked in RCM's favour and Mr. Soko is confident that "a sustained rise in price will be experienced in the next year." He added in his statement that profitability had been improved by the 20 per cent. devaluation on the Zambian kwacha.

Another factor working in RCM's favour has been the resolution of transport problems through . e opening of the Tanzam railway, which means that copper can be shipped out through the East African port of Dar-es-Salaam, where record tonnages were handled in March. But 2,200 tonnes of RCM copper are still tied up on the Benguela Railway in Angola which remains closed to international traffic.

In the last financial year, Mr. Soko said, production cost increases were confined to 10 per cent., but capital expenditure was curtailed to K11m. (£8.6m.) after K20m. in 1974-75. RCM were 135p yesterday.

BRACKEN DEATH TOLL RISES

The death toll at the Union Corporation group's Bracken gold mine in South Africa has risen to 12, following an underground explosion on Monday. A further 354 black employees have been admitted to hospital and the company states, "A few are still dangerously ill." A total of 23 white employees are also in hospital.

Bracken says that the accident occurred when explosives in a truck ignited "as a result of the heat generated by the rim of a wheel rubbing against the explosive truck."

Fumes apparently spread into the adjacent Leslie mine causing the admission to hospital of four white and four black miners. More than 400 men at both mines are being kept under medical observation.

In spite of the tragedy, production at Bracken has continued on a reduced scale. Production has also resumed at Impala Platinum's Bafokeng mine, where a severe outbreak of fighting at the weekend led to the death of nine black

Hemerdon drills in Devon

EXPLORATORY drilling at a tungsten-tin-china clay orebody on the edge of Dartmoor, seven miles north east of Plymouth in South Devon, has started on a small scale. The drilling is being undertaken by a Bermuda-registered company, Hemerdon Mining and Smelting, run by a Canadian businessman, Mr. Bill Richardson.

The site, which is close to the English China Clays Lee Moors operation, is owned by the Cobbold and Woollcombe families, while Hemerdon has the mining rights.

There was a mine on the site during World War II, but this was closed down in 1945. Since then exploration of what is thought to be a potentially rich orebody has not gone below 60 feet. The current programme, which is in its first phase, is designed to establish the width, depth and grade of the deposit.

Hemerdon has held the rights for a number of years and in 1973 cleared the test shafts of the old mine to take fresh assays. Mr. Richardson, even in the 1960s, was thinking in terms of developing an open-cast mine, but no applications for planning consent have ever been made.

In recent years the international price of tungsten has risen and other companies have found that operating profits can be made in domestic tin mining. Subject to environmental factors, the financial prospects for local tungsten and tin mining have become increasingly attractive

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 15, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MONDAY'S COMPANY NEWS

Metal Box almost doubled

PRE-TAX profits for the half year to September 30 of Metal Box were almost doubled at a record £24.23m. compared with £12.3m. on sales some £83m. higher at £332m.

The directors say the improvement should be viewed in light of the poor results for the same period last year. First-half profits in 1974-75 reached £19.95m.

The current second half for the company as a whole has started well and signs are that this should continue.

The interim dividend is raised from 5.3p to 5.85p per £1 share. Last year's total was 12.1p.

The results reflect higher sales. At home the profitability of the paper and plastics business was better and overseas the position has improved, particularly in Italy and India.

Expenditure on fixed assets in the half year was £12.7m. of which £6.5m. was spent overseas.

comment

Metal Box has consolidated the recovery already evident in the second half last year when pre-tax profits reached just short of £21m. Volume has risen 10-12 per cent. overall, spread fairly evenly across the product range. In the U.K. beverage cans obviously basked in the weather, and although fresh food canning was dullish other lines like baked beans and processed peas have provided some compensation. And there have been bright spots in plastic containers, notably margarine tubs. Overseas profits have risen in line with the domestic trend, with sharp recoveries in Italy and India, and an improvement of £1m. or so pre-tax in South Africa for the six months. So far in the current half-year U.K. volume seems to have stood up well to the 14 per cent. price rises imposed at the beginning of October following tinplate cost increases. There is no consistent pattern to MB's profits, so it is safe to project around £48m. pre-tax for the full year. But at 233p the shares do not look particularly out of line, yielding 8.6 per cent. covered just under three times.

London Scottish Finance

FOR THE first three months of the current year, the volume of new business at London Scottish Finance Corporation has been 120 per cent. higher than the same period last year, the chairman, Mr. R. H. Landman says in his annual report.

The MLR increase will have an initial impact on profits but steps were quickly taken to remedy the situation. However, it is too early to say to what extent the increase in borrowing rates will curtail the volume of advances, says the chairman.

For the year ended July 27, 1976, pre-tax profits amounted to £263,304 compared with £310,818 previously. Turnover was £2.24m. against £2.31m.

Meeting, Manchester, December 9 at noon.

DIMBULA TEA

A loss of £33,791 for 1975 is reported by Dimbula Valley (Ceylon) Tea Company, compared with profits of £53,137 previously. Turnover is £464,347 against £370,914.

There is no tax charge (£2,300) but there is a provision for prior year tax no longer required, £2,532 (nil). Extraordinary debits total £530,850 leaving the year's loss at £560,089.

Now that compensation terms have been agreed with the Sri Lanka Government, the directors are looking at ways of usefully applying the company's assets.

LCP sees substantial advance

A RISE in pre-tax profits from £965,000 to £2.03m. is reported by LCP Holdings for the six months to September 30, 1976, and the directors say current trading trends indicate a substantial improvement in profits for 1976-77.

With this in mind, the group is well placed to achieve a significant increase in earnings in the current year and a strong foundation is being established for continued progress, the directors say.

Earnings per 25p share in the first half are 4.6p (2.8p) and the net interim dividend is lifted from 1.27p to 1.4p. The total last year was 3.9p from pre-tax profits of £2.26m.

The directors say they are proceeding with an extensive integration and rationalisation programme in the vehicle distribution division and their home improvement centres.

The cost of this will be borne in the current year but the benefits, which will result from improved efficiency, will emerge during the next financial year.

comment

Pre-tax profits at LCP Holdings have more than doubled following the rights issue, new acquisitions and good performances from several of the seven divisions. One of the best has come from the engineering division which has made more than it did in the whole of last year: the capital expenditure and rationalisation of the past few years (during which the locations used have fallen from 11 to 3) have at last brought their reward, aided by improved demand. In fact, rationalisation seems to be the watchword at LCP. Vehicle distribution is being re-organised in line with the policy of British Leyland towards bigger dealers carrying more of the Leyland marques and LCP could gain here at the expense of smaller concerns. On the DIY side, two companies have been bought and integration benefits should be seen. So prospects look good and the borrowings are moderate at about a third of shareholders funds at the last balance sheet. At 61p the shares yield a prospective 11 per cent.

Lampa Secs.

The accounts for the year to April 30, 1976, of Lampa Securities have been qualified by the auditors.

They point out that the realisable value of the group stock of items of Oriental Art has been assessed by the directors at £1,367,768, an amount £820,289 less than cost. In view of the specialised nature of the items comprising the stock it has not been practicable for the auditors of the companies concerned to conduct any suitable independent check on the values placed on the items by the directors nor upon the changes made during the year in the amount of the reductions from cost.

In addition, it has not been possible to obtain audit verification of items valued at £986,449 held by third parties or the company's officials abroad.

QST Industrial Trust, a wholly-owned subsidiary of Royco Group is beneficially interested in 370,000 Ordinary shares of the company (23.2 per cent.).

C. E. Heath rises to £3.75m.

INSURANCE BROKING and underwriting agents C. E. Heath and Co. reports pre-tax profits for the six months to September 30, 1976, up by 103 per cent. from £1.8m. to £3.65m. Chairman Mr. F. R. D. Holland states that he is expecting a substantial increase in group profit for the year as a whole.

Stated earnings are 19p per 20p share, compared with 9.7p (adjusted for the rights issue in May) and the net interim dividend is lifted from 1.95p to 3.9p per share. The Treasury has consented to the increase, which was forecast at the time of the rights issue. A total of 13p net per share was also forecast at that time—last year's total was 5.6508p from profits of £6.4m.

The insurance broking operations of the group world-wide show every indication of continuing to grow, says Mr. Holland. *They are seeing a considerable* amount of new business being put on the books, and in addition the results will be enhanced by the devaluation of the pound. Efforts to contain expenses have been successful and on the insurance broking side they are now 69 per cent. of income against 83 per cent.

comment

Heath looks set to return £10m. pre-tax this year taking earnings per share on average capital up to around 50p. On that basis the prospective p/e at 401p is 8 which compares with an average for the brokers of around 9 and double figures for Minet and Sedgwick. Yield is lowish at 5 per cent., and Australia (where the business is largely in one class) it currently accounts for perhaps a quarter of operating profits. But brokerage income in the current half has continued to grow at more than 50 per cent. and exchange profits are still flattering profits growth. The background suggests that earnings are going to keep moving upwards in 1977-78.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arbuthnot Latham ...int.	3.5(b)	Jan. 4	2.7	—	8.25
Berry Trust	0.63	Dec. 18	0.63	0.63	0.63
Clement Clarke (Hldgs.) int.	0.81	Jan. 6	0.73*	—	1.77*
Clyde Blowers	2.36	Jan. 5	2.2	3.18	3.02
Dundonian ....int.	1	Dec. 15	0.8	—	1.2
C. E. Heath ....int.	3.9†	Jan. 6	1.95	—	5.65
Impala Platinum 1st int.	20(c)	—	15	—	70
L.C.P. ....int.	1.4	Jan. 6	1.27	—	3.9
Metal Box ....int.	5.85	Jan. 10	5.3	—	12.1
Seccombe Marshall ...int.	6	Jan. 4	6	—	13.82
Shellabear Price ......int.	Nil	—	0.88	—	2.48
Transatlantic & Gen. Invs. int.	1.65	—	1.5	—(a)	3
Yorks. & Lancs. Inv. Tr.	0.75	Dec. 21	0.7	1.1	1.05

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Final 1.65p forecast. (b) To reduce disparity. (c) Cents throughout.

Dunford tried to raise more

INSTITUTIONAL shareholders who are underwriting a £3m. rights issue to generate £6m. of finance, including £3m. of bank credit, for Dunford and Elliott—which has received a £3.7m. bid from the fellow Sheffield steel concern Johnson and Firth Brown—at first tried to include two other industrial groups in the operation. This arrangement would have raised the amount of finance for Dunford—which has been urgently seeking cash reinforcement—to £7m., giving each of the industrial parties a potential stake of some 7 per cent.—8 per cent. in the enlarged Dunford capital, had the underwriters taken up all the convertible preference shares in question.

One of the other industrial parties approached declined to participate, since at the time the proposed package was not the first preference of the Dunford Board, which was negotiating for a £3m. rights issue to the State-owned National Enterprise Board. The other industrial concern canvassed for its support of the institutions' "package" was Johnson and Firth Brown itself, which afterwards launched its own full-scale bid for Dunford about which it had first made an *approach three months earlier.*

Subsequently the institutions, which hold some 40 per cent. of Dunford's shares, decided to act without industrial partners. They resolved to proceed themselves with a private sector financial package by agreeing to underwrite a £3m. rights issue on terms as good as those available from the NEB. This scheme was adopted and published late last week by Dunford, which has rebuffed JFB's offer as "highly unwelcome." The City's equity banks, Equity Capital for Industry and Finace for Industry are participating with the instructions in the underwriting of this package.

JFB declined to comment on the matter of the approach which, it has emerged, was initially made to it to participate in a joint suport package wth the institutions. But Mr. Philip Ling, JFB's general manager and a director, took the view that there was no necessary conflict between his own company's full bid for Dunford and the institutions' financing package for that company.

"In my view, the institutions' package is not so much in the long run an alternative to our bid, but a safety net for shareholders preferring a private sector solution in case the conditions stipulated for our bid are not met." These conditions particularly concern the absence of a reference to the Monopolies Commission and the receipt of necessary approval from the European authorities.

Mr. Ling added: "We are completely confident that these normal conditions will be satisfied within a reasonably short time."

Shellabear Price loss

Builders and civil engineering contractors, Shellabear Price (Holdings) reports a loss of £165,000 for the six months ended June 30, 1976, compared with a £218,500 profit in the same period *last year.*

In view of the deficit, the directors are not declaring an interim dividend and a recommendation as to the final will be made when the full-year results are known.

In 1975, the net total of 2.4761p included an interim of 0.875p. Pre-tax profits for the year totalled £430,021.

The chairman, Mr. P. M. Price tells shareholders that the principal reason for the first half deficit was a serious and unexpected loss on one large contract, requiring a substantial provision to be made in the period under review.

Certain internal reorganisation has been made to deploy resources to meet the conditions which now apply. The directors expect that trading in the second half of 1976 will reduce the loss now shown.

Receiver for Anglowest sub.

CONTINUING LOSSES and the fall in the value of sterling have *prompted the Board of Anglowest* to appoint a Receiver and Manager over its operating subsidiary Advance Domestic Appliances (ADA), which distributes the domestic appliances of Westinghouse Corporation of the U.S. and of Scholtes (France). A request has been made to suspend the listing of Anglowest, in which Robert Kitchen Taylor has a holding of 73.3 per cent. of the equity. The suspension price was 10p.

At present ADA is not being wound up and both of the foreign suppliers have announced their readiness to help.

The decision to call in a receiver has been taken because the prospect of a return to profitability is "too remote and does not warrant the provision of further finance."

The effect on the parent company, Robert Kitchen Taylor—which has a profitable textile subsidiary in RKT Textiles plus some property interests—will be the writing off of the shareholding in ADA, the book value of which is £184,960.

The parent has also advanced loans of £268,700, which may be wholly or partially recoverable, depending on the Receiver. But the main effect will be to arrest the losses being incurred because of the ADA operations.

It is pointed out that ADA has no connection with Anglowest Distributors, distributors of commercial laundry equipment and electrical appliances.

NEW ICL OFFSHOOT

International Computers announces the formation of a new wholly owned subsidiary company in Malaysia, International Computers (Malaysia) Sdn. Bhd.

BIDS AND DEALS

Backing for Low & Bonar

The increased offer made by Low and Bonar Group for H. P. Gregory and Co. has been accepted by the Gregory Board, which has re-affirmed its original recommendation to shareholders to accept the offer. Necessary approvals for the take-over to go ahead have now been received from the statutory authorities.

Low and Bonar had increased its original bid of $A1.05 per share to $A1.15 cash following an increased offer of $A1.13 from Falkiner Holdings, an Australian group with a holding in Gregory.

The transaction will involve the acquisition of 2,316,048 shares of 50 cents, fully paid, being the whole of the capital of Gregory. The revised bid of $A1.15 would mean a total cash outlay of $A2,663,453 (£2,017,767). The funds will be provided from existing Low and Bonar resources and by borrowings in Australia.

Acceptances have been received in respect of 11,939,273 Ordinary shares (92.5 per cent.) and 1,197,174 Preference shares (90.6 per cent.). The offer remains open.

NO PROBES

Secretary of State for Prices and Consumer Protection, has decided, on the information at present before him, not to refer the following proposed mergers to the Monopolies Commission. They are:—Allied Breweries/Teacher (Distillers); The De La Rue Company/Arborite.

SPENCER TURNER

The Dent Fownes offer for Spencer Turner and Boldero 8 per cent. Preference stock is unconditional. Acceptances have been received for £167,039 stock (92.81 per cent.). The offer remains open.

THOMAS TILLING

International Medical Supplies and Services, wholly owned subsidiary of Thomas Tilling, has acquired Ross and Hilliard, suppliers of orthotic appliances and medical equipment based in Dundee.

Consideration, subject to the attainment of profit forecasts, will be £170,000 cash, of which half has been paid on account.

LONRHO-LCW

Lonrho, which last Friday made a 22p per share cash bid for the 70.1 per cent. it does not already own in London City and Westcliff Properties, has been buying further LCW shares through the market. Lonrho's holding is now estimated at 32 per cent.

No official statement has yet been issued by the Board of LCW, though the offer is expected to be rejected following discussions with financial advisers Barclays Merchant Bank.

ROBT. FARNWORTH

The William Reed and Sons offer for Robert Farnworth has been declared unconditional. The Ordinary offer has been accepted in respect of 2,380,220 shares (92.69 per cent.) and the Preference in respect of 1,640 5.25 per cent. shares (95.91 per cent.) and 3,910 3.5 per cent. shares (87.75 per cent.). The offers have been extended until further notice. The percentages for Ordinary acceptances and for 5.25 per cent. Preference acceptances were incorrectly stated in our report on Saturday, November 13.

RENTOKIL

Rentokil's holding company, Sophus Berendsen of Denmark, has turned Rentokil back into a close company with the result that higher dividend payouts may have to be made to shareholders, including itself.

Sophus Berendsen has purchased a further 100,000 Rentokil shares so that less than 35 per cent. of the shares are now in public hands—which is one of the main definitions of a close company. The holding company now has 34,538,750 Rentokil shares.

UDT-ANZ. BANK

The consideration for the sale by United Dominions Trust of its 80 per cent. holding in Endeavour Investments (New Zealand) to Australia and New Zealand Banking Group, already announced, will be in U.S. dollars equivalent to about 5.8m. New Zealand Dollars—£3.4m.

CHUBB-GROSS

The terms of Chubb and Son's bid for Gross Cash Registers are one Chubb Ordinary share and 10p in cash for every five Gross Ordinary shares. In last Saturday's report the cash element of the offer was omitted.

SHARE STAKES

Kellock Holdings—Mr. J. N. Oppenheim (a director) has acquired a further 22,759 Ordinary shares making his total holding 175,000 Ordinary shares (29.83 per cent.).

"Investing in Success" Equities—Mr G. W. Ashfield has purchased a further 5,000 shares.

APV-HALL THERMO.

The APV Holdings' offer for Hall Thermotank is unconditional.

MINING NEWS

Shell's Windarra bid

BY PAUL CHEESERIGHT

THE INTERNATIONAL oil major, Shell, will this week make a firm bid for Poseidon's half share of the Windarra nickel mine in Western Australia, thus confirming the suggestion made earlier in this column. The nature of the offer is not known and the receiver of the failed company, Mr. Noel Buckley, says that no figures are available for the book value of the Poseidon share in Windarra.

Poseidon's main creditor, the Government-owned Australian Industry Development Association, now owed $25m. (£18.9m.), has said that if no suitable offer is forthcoming for Poseidon's main asset, it is prepared to consider taking an equity stake in Windarra, thus linking it with the joint venture partner, Western Mining Corporation. The AIDC states that this attitude is not in conflict with the Shell offer.

IMPALA LIFTS ITS INTERIM

Impala Platinum has announced a first quarterly interim dividend of 20 cents (14p) for the year to June 30. In 1975-76 the South African producer paid two interims of 15 cents, a third of 18 cents and a final of 22 cents. The group reduced its selling price at the beginning of the month to $162 an ounce from $170. Its rival Rustenburg Platinum also brought its price into line from $180.

GOLD OUTPUT

South African gold output in October was 1,959,682 ounces, the Chamber of Mines disclosed. This brings the total for the first ten months of the year to 19,077,728 ounces compared with 19,050,075 ounces in the same period of 1975 when the total for the 12 months turned out to be the lowest for 14 years at 22.76m. ounces.

CLYDE BLOWERS

Manufacturers of steam and soot blowing equipment, Clyde Blowers reports profits up from £203,065 to £256,852 for the year to August 31, 1976 subject to tax of £148,748 compared with £98,833.

The final dividend is 2.35745p net per 25p share lifting the total from 3.02325p to 3.1843p.

NTERNATIONAL FINANCIAL AND COMPANY NEWS

'urther rise in sales nd profits at Philips

RISCO ENDT ROTTERDAM, Nov. 16.

S, the Dutch multi- electrical group, has d net profit in the first nths of this year by 271 t., from Fls.96m. in the riod in 1975 to Fls.357m. r. In particular, during l quarter of this year the rofit increased from to Fls.125m.

increased in the first nths by 16 per cent. to 1. from Fls.18.5m. last j in the third quarter by cent. to Fls.7.3m. from in 1975.

or the whole of 1976 expects a sales increase per cent., which dis- d the Amsterdam stock on which the shares lost and closed at Fls.27.40.

Board member and director Dr. Jan W. G. , commenting on the aid Philips "is not yet by these better results gures show that a com- overy has not yet been Compared to 1974 the t was 93 per cent. lower third quarter, namely against Fls.144m. in net profit over the first onths in 1974 was against Fls.96m. this

after taxes increased irst nine months from to Fls.419m. and in the arter from Fls.51m. to The company result from Fls.7m. to and net profit per share increased from Fls.0.42 8.

Trevor Humphries

Philips Television factory at Eindhoven, Holland.

The Board expects that the sales increase which decreased this year quarter by quarter will be lower again in this third quarter in spite of the fact that over the whole of 1976 a total sales increase of 12 per cent. is expected. This, however, is a sales increase in guilders. It is questionable, the Board says, whether a volume increase of 9 per cent. can be reached in the next few years.

The Board says it expects increased competition from the Japanese electronics industry. The fourth quarter will be difficult and revival in investment is lagging, the Board says.

Philips is negotiating an important order from an Arab country. Dr. Offergelt says: "It is going to be an order in the telecommunications field of several billion guilders."

Philips' sales increase covered all production areas especially in the Western industrial countries. In Great Britain, however, sales were disappointing.

Permission sought for sharp rise in CGE dividend

BY DAVID CURRY

FRANCE'S leading electrical group, Compagnie Generale d'Electricite, has promised shareholders a substantially increased dividend for 1976 provided such a move would not fall foul of the Government's anti-inflation programme.

In a letter to shareholders, the chairman, M. Ambroise Roux, says nine months consolidated receipts rose to Frs. 1.7bn. from Frs.11.84bn. for the same period last year, and that this 15 per cent. improvement should be maintained over the full year. Group consolidated income, Frs.141m. in 1975, should remain above Frs. 250m. this year, despite a Frs.10m. tax surcharge.

M. Roux is hesitant to give a long-term forecast in view of the decline of the French economic recovery and the unknown effects of the Government's austerity programme, with its price freeze and tax surcharge. Neither consumption nor investment look likely to make real progress, he says.

For the parent company, M. Roux forecasts profits of around Frs.115m. against Frs.103.5m., apart from exceptional items. In 1975 the company distributed Frs.87.3m. in dividend.

The chairman says group results were stronger than last year, due mainly to a better situation at Alsthom, the merger of Alsthom with the shipbuilding group Chantiers de l'Atlantique and the better fortunes of some table manufacturers.

Group cash-flow should end the year at around Frs.800m. against Frs. 666m., allowing 80 per cent. of investment to be covered from own resources.

M. Roux assures shareholders of the group's continued profitability and pledges "massive" investment to guarantee future activities.

This pledge is certainly intended to reassure shareholders worried by the effects of the radical restructuring over the past two years of the group's nuclear, computers and telecommunications activities in the interests of streamlining French industry according to Government ideas.

This period has seen the formation of the computer concern CII-Honeywell Bull, in which CGE is an important shareholder, the merger between Alsthom and Chantiers de l'Atlantique, and the planned absorption by this company of the nuclear engineering activities of Compagnie Electro-mechanique in an effort to consolidate the French nuclear construction effort.

In the same period, CGE's nuclear technology was passed over by the Government in favour of the Westinghouse system, licensed by Empain Schneider subsidiary Framatome.

Big Danish banks seek loan stock overseas

By Hilary Barnes

COPENHAGEN, Nov. 16

COPENHAGEN Handelsbank, Denmark's largest commercial bank, said it plans to raise up to Kr.500m. abroad in the form of non-convertible loan stock to secure its equity ratio, which under Danish law is a minimum of 8 per cent. of deposits and guarantees.

Earlier this autumn Danske Bank announced a similar move and has so far raised DM70m.

Handelsbank said the money will be raised in leading currencies. The October realignment of the European snake currencies, when the crown was written down by 6 per cent. against the mark, has made the transaction opportune, it added. The money will be raised through private placement and with minimum maturity of five years.

The Danish banks are looking to the foreign market because current bank legislation has frozen the spread between interest rates on advances and deposits, squeezing their operating profits. At the same time a substantial State budget deficit has pushed up the money supply and bank deposits very rapidly.

With the market value of leading bank shares depressed, it would be difficult for the banks to raise large sums by making share issues.

Thyssen is more optimistic than its competitors

BY GUY HAWTIN FRANKFURT, Nov. 15

THYSSEN, the major West German steel manufacturer, expects to pay an unchanged 14 per cent. dividend for 1975-76. This will, no doubt, come as a pleasant surprise to shareholders who must have been somewhat depressed by news emanating from the industry as a whole.

After an inauspicious start to the 1975-76 business year, which ended on September 30, the group noticed a sign of an economic improvement. With turnover, production and profits showing indications of an upward trend, the concern is looking forward to reporting "satisfactory profits."

According to the group's bulletin, "Thyssen Aktuell," shareholders can count on another payout of DM7 per DM50 nominal share. The report admitted that unsatisfactory steel earnings had depressed profits, but said that the increased volume of demand, coupled with improved earnings in other sectors had brought about an overall improvement in profits.

The processing branch had shown far more healthy earnings than in the previous business year and the trading sector had done well. The group's subsidiaries had also produced "a pleasing contribution" to the improvement in profits.

Thyssen appears to be more sanguine about the immediate future than many of its steel industry competitors. After a promising start to 1976, the industry's trade association reported that orders this summer weakened to the levels recorded at the low point of 1975's recession.

Thyssen Aktuell says the group believes that after a noticeable slowdown the West German economy is moving upwards. The domestic steel market was expected soon to move out of its current weak phase, while signs of increased economic activity in other industrialised countries was expected to stimulate steel exports.

The demand level in the steel processing sector varied from area to area. However, the development of orders in the capital goods sector indicated that an improvement was on the way. The overall outlook for the Thyssen group in the 1976-1977 business year was "in no way unhealthy."

Naturally Thyssen, Europe's largest steel concern, had been affected by the steel crisis, said Thyssen Aktuell. The group's external turnover in 1975-76 fell by 4.5 per cent. compared with the previous business year to DM20.4bn. (£5.18bn.).

'urrency, metal setbacks ndermine Boliden's hopes

ILLIAM DULLFORCE STOCKHOLM, Nov. 15.

RAISING its 1976 earn- cast at the half-way oliden, the Swedish nd chemicals concern, forced to cut back its is sharply again in the th interim report. The sons are the collapse in of copper since August declining rate of the

, which had pre-tax of Kr.366m. in 1974 and Kr.32m. last year, now s a profit before appro- of Kr.5m. (£725,000) es of Kr.2.6bn. (£365m.)

A further loss will be it is calculated, by an ary income of Kr.9m. justed net profit would t at Kr.3 per share net loss of Kr.6 per 1975. Last year Boliden vidend to shareholders by only Kr.1 to Kr.10 per share after transferring Kr.163m. from inventory reserves.

In the half-year interim report in August the management anticipated an operating profit of Kr.130m. and pre-tax earnings of Kr.69m. this year. Operating profit is now expected to reach no more than Kr.70m. after straight-line depreciation of Kr.135m.

Net financial costs are predicted to be Kr.74m., a growth of Kr.31m. from last year. Mr. Ake Palm, the managing director, says that Boliden has arranged for loans totalling some Kr.300m., including a $40m. loan this year in order to reinforce group liquidity for the contingency that the "hesitant attitude of world industry may persist through 1977." Not all the loans have been utilised so far.

The ratio of group equity to the balance sheet is currently some 33 per cent., having declined steadily from 41.6 per cent. in 1971. But this is not unduly low by Swedish company standards.

In a second move to improve cash flow the management intends to reduce the relatively high level of capital expenditure from some Kr. 350m. this year to Kr.200m. in 1977 and to seek Government permission to postpone for a couple of years some of the heavy environment-improving investments Boliden has been compelled to undertake.

An annual investment of Kr.200m. corresponds roughly to the management's estimate of the cost calculated depreciation needed yearly up to 1980 and allows, therefore, for no expansion during this period.

Group sales during the first nine months of this year were Kr.1.76bn. or Kr.140m. higher than in the corresponding period last year. Consolidated operating profit after straight-line depreciation of Kr.99m. was Kr.63m. Net financial costs of Kr.45m. (up Kr.23m.) and an extraordinary income of Kr.9m. gave pre-tax earnings of Kr.27m. compared with Kr.5m. at the nine-month stage in 1975.

The squeeze on margins from the declining copper price and continued weak demand for zinc has been aggravated by "some disturbances in production." An improvement in Boliden's smaller chemicals operations has partly compensated for the decline on the metals side.

Cities service outlook

Cities Service Company has announced it expects 1976 earnings to exceed the previous record $203.8m., or $7.58 per share, in 1974, Reuter reports from Tulsa.

In 1975 Cities Service earned $137.7m., or $5.12 per share.

The company previously reported nine-month earnings of $157.4m., or $5.50 per share, up from $91.1m., or $3.39.

Cities Service also said capital spending for the year would be about $500m., up from the previous record $497m. in 1974 and last year's $439m.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

JAPANESE COMPANIES

Kawasaki out of the red

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Nov. 16

A 37 PER CENT. increase in export volume combined with a 20 per cent. rise in domestic prices helped to put Kawasaki Steel Corporation, one of Japan's five big integrated steelmakers, back into the black during the six months from April to September, the company reported to-day.

Profits, however, remained far below the levels recorded in 1973, the last boom year of the Japanese economy before the oil crisis, and Kawasaki is not especially optimistic about further improvements in its performance. It thinks profits during the current six months (October to March) will equal or very slightly exceed those for the business period which has just ended. Kawasaki's recurring before tax profit for the six months ending September was Y2,513m. (about £5.6m.) compared with a Y8,462m. loss in the 1975 period. Profits before tax (which include non-recurring items such as property transactions and certain types of share sales) are slightly down from a year ago at Y3,513m. (Y3,528m. in April-September 1975). This, however, merely reflects the fact that Kawasaki, in common with other steel companies, has indulged in less "window-dressing" of its accounts this year than was thought necessary a year ago.

The lucky combination which gave Kawasaki its improved results is apparent from the breakdown of export and domestic sales figures which the company published with its business results. Total shipments of steel during the six-month business period showed only a 1.4 per cent. increase on a year ago (totalling 5.7m. tons, against the year-earlier figure of 5.6m.). Exports, however, rose from 1.7m. to 2.3m. tons, while domestic shipments of steel were down from 3.9m. to 3.38m. tons. Average export prices over the six-month period were rather lower than a year ago (and substantially below the domestic price level for Japanese steel), but Kawasaki still earned 21 per cent. more from exports than in April-September, 1975.

Kawasaki's domestic business was rescued in April-September, 1976, by a Y9,000-per-ton price increase which the steel industry negotiated during the summer with major consuming industries, with the tacit support of the Ministry of International Trade and Industry.

The effect of this rise following an earlier increase last winter was to raise domestic prices 20.2 per cent. above the level of the previous year. It also meant that for the six-month period Kawasaki sold steel in Japan for substantially more than in most export markets (domestic prices averaged Y77,732, against the export average of Y73,074), reversing the situation a year earlier when domestic prices averaged Y64,644 against the Y83,868 export price.

Kawasaki says that although the average export price for the six month business period was well below the level of a year earlier, prices have been recovering in the short term on world markets and are now close to autumn 1975 levels. But this does not mean that the company expects to do particularly well in export markets in the next six months. Japanese steelmakers will almost certainly have to slow down their exports to the U.S. and Western Europe to avert the imposition of unilateral barriers by Western countries. The impact of this on the industry's export business will more than counteract the recent recovery of exports to China.

In Japan, Kawasaki sees demand remaining flat until new measures are taken to stimulate the economy. The timing and content of these measures will depend partly on the outcome of the general election due to be held next month.

Nomura reports substantial profits rise

By Douglas Ramsey

TOKYO, Nov. 16.

NOMURA Securities to-day reported a 184 per cent. increase in net income after tax for a total of Y24.6bn. in the year to last September 30, the highest profits rise among Japan's big four securities companies in the period, but insufficient to bring Nomura even close to its earnings record of Y32bn. in 1973.

Nomura's competitors are Nikko, Daiwa (both reported last Friday) and Yamaichi Securities, which to-day announced a Y5.9bn. net income for fiscal 1976, up 158 per cent. on last year. Yamaichi's earnings, nevertheless, were substantially less than the record Y10.5bn. in 1973.

For Japan's rating-conscious securities industry, the 1976 income statements reveal a widening gap between the two biggest and the two smallest of the big four. Operating profits, a key indicator of size, were Y48.7bn. at Nomura and Y40.13bn. at Nikko (halving the distance between the two in 1975), but only Y15.7bn. at Daiwa and Y12.8bn. at Yamaichi (also halving the 1975 gap). This trend, in a highly competitive year on both the stock and bond markets, underscores the growing view here that there are two, not four "majors" in the industry.

C. Itoh sees profits slump

By Pauline Clark

C. ITOH and Co., fourth among the biggest Japanese commercial and trading groups, is expecting a substantial fall in profits and a marked slowdown in sales growth in the second half of its current financial year.

In a statement following last Friday's first half figures, with turnover up by 14.35 per cent. on the same period last year, the group forecast that total sales for the fiscal year until March 1977 would be only 11 per cent. higher. This implies an almost halved rate of sales growth in the second half of this year, compared with the rise in the first.

Profits before special items, meanwhile, are expected by the group to continue at the same level as in the first half suggesting a more than 40 per cent. downturn in the current six months compared with the same period last year.

As previously announced, first half profits for the current year were Y5.4bn. against a loss in the comparable 1975 period of Y5.6bn. ahead of petroleum price increases. In the fiscal year 1976, recurring profits in the second half recovered to Y9.2bn. to give an annual total of about Y3.6bn. The company hopes to maintain its dividend this year at Y6.0 per share.

C. Itoh's forecast underlines the prospects in the latter half of the 1977 fiscal year for several other major Japanese trading houses. Mitsui and Co. which also announced a first half 11.6 per cent. gain in sales recently, forecast that second half sales would level off to give an annual total not much changed from the previous year. Prospects for Mitsui's end year profit levels will, meanwhile, have to take into account a 10.4 per cent. fall in recurring profits already incurred in the first half.

Andreotti's Montedison committee starts work

By Tony Robinson

THE TOP-LEVEL sub-committee set up by Prime Minister Giulio Andreotti to formulate Government policy towards the complex financial, structural and employment problems of the Montedison group met to-day to prepare the ground for the Senate's budget and planning committee hearings called by its Communist chairman Napoleoni Colajanni on Thursday.

The Government's policy will then be spelt out by Minister Tomaso Morlino. Although the the five Ministers present at the meeting declined to comment on the outcome, it is known that they faced three main problems. The first concerns the future legal status of Montedison, that is to say whether it should continue its present position as an anomalous mixed private/public committee, as desired by the Christian Democrat Party, or be reorganised as an essentially State-controlled company. This problem is closely linked to the second, which is, that of resolving Montedison's heavy debt position by the injection of L600bn. fresh capital from the State.

The first problem, which is linked to the other two, is the definition of Montedison's future investment strategy. This carries with it the problems not only of defining Montedison's chemical plans but also the fate of the many non-chemical finance, service and supermarket activities. The sale of these activities would help to provide capital for chemical investment, providing buyers could be found.

Haw Par passing dividend

By H. F. Lee

SINGAPORE, Nov. 16.

HAW PAR Brothers International will pass dividend payments for the year ending December 1976 to avoid any complications arising from the conversion of Haw Par London (HPL) Preference shares into Ordinary Haw Par shares.

In its letter to the Singapore Stock Exchange, Haw Par said it wants to avoid having two classes of Ordinary shares at the same time.

The conversion date for HPL shares is December 31 and some conversions are expected this year.

These Ordinary shares, which have been converted from HPL shares according to the terms of the convertible issue, would carry with them the right to a dividend for the financial year 1976, payable by HPL on May 31, 1977.

IMPALA PLATINUM LIMITED

(Incorporated in the Republic of South Africa)

Interim Dividend

The Directors have declared a quarterly dividend of 20 cents, South African currency, per share. This will absorb R2,400,000.

per pro. UNION CORPORATION (U.K.) LIMITED.
London Secretaries.
L. W. Humphries.

Princes House, 95 Gresham Street, London EC2V 7BS
15th November, 1976

AMERICAN NEWS

Rapid American's problems

BY STEWART FLEMING

NEW YORK, Nov. 16.

IN SPITE of heavy losses, Rapid American Corporation has so far survived the crises which hit many similar conglomerations in the early 1960's.

The same can be said of Mr. Meshulam Riklis, the entrepreneur who built the business up from next to nothing to a $2bn. corporation in the 1960s.

For over two years now, however, the heavy burden of debt that Rapid American built up during its expansionary phase has been forcing the company to cut back its operations.

The announcement that it is considering selling its Schenley alcoholic drinks business—one of its biggest and most profitable divisions to American Distilling for more than $355m.—is interpreted on Wall Street as yet another indication of the company's pressing need to lift the debt burden. Schenley has distribution contracts for Dewar's White Label Scotch and Mathews Wines among others.

For American Distilling, the prospective purchaser of Schenley, the acquisition would push it into the big league of drinks companies. Last year Schenley had sales of nearly $800m. compared with American Distillers sales of around $140m.

Mr. Riklis came to the U.S. from Israel in 1947 and in 1955 bought control of a printing equipment manufacturer for $25,000. By 1973 he had built the company into a major U.S. concern largely through acquisitions. In that year Rapid American earned net income of $37m. on sales of $2.7bn.

The range of interests in the company was vast, going from alcoholic drinks through suits and clothing (BVD) to travel wear and ultimately retail stores. Among its best-known brand names was Playtex, the internationally famous women's underwear manufacturer.

The U.S. recession in 1974 and 1975 hit Rapid American especially hard not least because of the $1bn. plus which it had in its balance sheet. Thus in the year to January 31, 1975 the company suffered a loss from continuing operations of $19m. and from discontinued operations of $25m.

In the following year there was a further heavy loss of more than $9m. even though the company had begun to move towards easing its debt position. Primarily this was accomplished through the sale to Esmark of its Playtex division for $210m.

There has been controversy about Mr. Riklis' compensation, which gave rise to shareholder suits alleging that he received "excessive compensation."

As a partial settlement of a stockholder suit it was announced in the middle of this year that Mr. Riklis had agreed to a $25,000 cut in his $375,000 salary.

In the first six months of this year, Rapid American incurred a loss from continuing operations of $6.2m. compared with a loss of almost $10m. a year ago. In spite of cutbacks, it still had debts of over more than $900m. in its balance sheet on January 31, 1976.

However, Mr. Riklis has said that the company's operations are continuing on a satisfactory basis and has forecast a profit for third quarter and a profit for the year of between $8m. and $10m.

Dow Chemical sees sales rise

DOW CHEMICAL Company will introduce its shares on the Paris Bourse on November 25, group president Zoltan Merszei told a Press conference, reports Reuter from Paris.

The introduction will not involve the creation of new shares. Dealers will buy the company's shares on other markets in order to meet demand on the Paris Bourse, he said.

Turnover should be 15 per cent. higher next year, including a 10 per cent. increase in volume terms, and the company's long-term objective is to achieve an annual 10 per cent. growth in results, he added.

Merszei confirmed the forecast made in October that net profit this year will match the $3.41 per share result achieved in 1975, taking into account the two-for-one share split in May.

The company made a net profit of $464m. in the first nine months of this year ($481m.) on turnover of $4.2bn. ($3.6bn.). Results in the fourth quarter should at least equal those in the same period a year ago.

Merszei said the group intends to invest $175m. to $200m. annually over the next five years in Europe, including $700m. for a project in Yugoslavia.

The group will invest more than $1bn. this year, mostly in the creation of new installations and partly to improve the profitability of existing operations, he said.

Monsanto peak hope

MONSANTO OF St. Louis will have a record year in 1976 with both net income and sales, but will not earn the primary $11 a share ($8.63 last year) some analysts have forecast, vice-president and treasurer, Richard O'Sullivan, told reporters, reports Reuter from Frankfurt.

The company's fourth quarter earnings per share will be less this year than the $2.20 recorded for the last 1975 quarter, Mr. O'Sullivan told a Press conference on the listing of the company's shares in Frankfurt and Dusseldorf.

Earnings in the first nine months of 1976 were $8.76 a share against $8.63 in the whole of 1975.

He said net income will be above the 1974 record of $323.2m. ($306.3m. for 1975) after reaching $318.7m. for the first three quarters this year.

Net sales will top the 1975 record $3.62bn. ($3.50bn.) after standing at $3.24bn. in the first nine months, Mr. O'Sullivan said.

He noted dividend has been constantly increasing in the past few years and the company will try to maintain the trend.

The dividend for the first nine months was $2.05 against $2.55 for all 1975. He declined comment when asked if these figures suggested a record dividend of around $2.70 seems likely.

Monsanto has no real problems in the U.K. provided sterling stays around its current level against the dollar. In general the balance sheet structure of Monsanto's local units provide protection against foreign currency exposure, Mr. O'Sullivan said.

Mobil in new offer

By Our Own Correspondent

MOBIL Corporation has produced another offer in the bidding for Irvine Corporation, a Californian land developer, amidst reports that a possible fourth bidder said to represent Middle East interests might enter the auction for the company.

Mobil's latest bid consists of $164.8m. in cash and $115m. in notes, for a nominal total of $279.8m. This is the same nominal total as another cash and notes bid made earlier by Cadillac Fairview Corporation, a large Toronto-based property developer. A third bidder, SMBH and Z Incorporated, a privately-owned Detroit investment firm has also made a complicated bid of cash, notes and an exchange of leases estimated to have a face value of from $286m. to $295m.

AP/DJ

A warning from Europartners

BY PAULINE CLARK

THE FREQUENTLY canvassed moratorium on the overall foreign debt of non-oil producer developing countries (estimated at some $140bn. at end 1975) would "in no way contribute towards solving the structural problems of these countries." On the contrary it would probably lead to a rupture in the international credit machinery—particularly in the Euromarket—and for a long time deny the developing countries access to what at present is their most important source of credit.

This warning is given in the latest joint report of Europartners, an association of leading European banks comprising Banco di Roma, Banco Hispano Americano, Commerzbank and Credit Lyonnais. The partnership was formed in the early 1970s to enable the four autonomous banks to cooperate more effectively on all levels of trans-frontier banking business and now maintains six joint representative offices as well as a world-wide network of joint foreign branches and associated banks.

The report, which draws special attention to those developing countries suffering from oil price increases, adds, however, that the risk of a moratorium cannot altogether be ruled out.

Europartners points out that no solution has so far been devised to the problem of controlling international liquidity. Thus total monetary reserves expressed in dollars had been allowed to triple between 1970 and 1975.

Attempts to establish a new international monetary order of a generally acceptable character, the report contends, will continue to fail so long as the main problems at present confronting the world economy — the differences between one country and another in cost and price trends —remains unsolved.

Only when this is realised, the banks explain, can the depreciation of the lira and sterling in 1975 and 1976 be understood

Ansetts budgets for second half growth

SYDNEY, Nov. 16.

ANSETT Transport Industries, airline, transport, hotel, engineering and television group, expects a very satisfactory result in 1976-77, the chairman, Sir Reginald Ansett told shareholders to-day at the annual meeting in Melbourne. He said the company was trading most satisfactorily compared with budget forecasts.

"We have budgeted for some growth in traffic in the second half in anticipation of a lift in the economy, and there are encouraging signs that this growth will be forthcoming," he said.

RCM review

The following is the text of the annual statement to shareholders, dated 24 September 1976, by the Chairman of Roan Consolidated Mines Limited, the Hon A J Soko MP.

As expected, the financial year which ended on 30 June 1976 has been one of the most difficult in the history of the company's operations. Nevertheless, though business conditions since RCM became self-managing in February 1975 could scarcely have provided a more propitious start, I am pleased to be able to report that the company's situation is improving and that we in Zambia are once more overcoming problems which are not of our making.

The company has co-operated closely with the Party and Government throughout the period and we have received help and encouragement from various sources including banks and other lending institutions and the governments involved in the Zambia-Tanzania railway (Tazara) project.

TRANSPORT

The far-sightedness of those who conceived the plans for Tazara is now evident. This massive joint project of the Governments of Zambia and Tanzania, undertaken with financial and technical assistance from the Government of the People's Republic of China, has been brought into operation ahead of schedule and at a most opportune time. Some copper began to move along this line in September 1975 soon after the loss of our main transport route to Lobito due to the political problems of Angola at that time.

Since then the quantities of copper exports and of imported supplies carried have progressively increased. This rapid rise in the tonnage routed through Dar-es-Salaam required extraordinary labours at the port and these were rewarded by record tonnages handled in March 1976.

At present our transport situation is almost restored to normal. While most imports and exports are routed through Dar-es-Salaam, use is also being made of ports in Kenya and Mozambique and we have a debt of gratitude to all those who have helped to alleviate what at one time appeared to be a serious problem for the company. We look forward to the restoration of operations on the Benguela Railway through Angola to Lobito and to the release of 2 200 tonnes of RCM's copper still trapped on this route.

COPPER PRICE

When I reported to you last year the cash price for wirebars on the London Metal Exchange was equivalent to K744 per tonne. At the time of writing it is K1 140 per tonne. The present price though a considerable improvement is nevertheless low in historical terms when one considers the world-wide decline in the value of money.

The price of copper governed as it is by LME quotations is extremely sensitive to market assessments of the balance of supply and demand. While there have been undoubted signs of recovery in the economies of the major industrialized countries, copper stocks in warehouses remain high and the consensus of opinion in recent months is that the present recovery will proceed more slowly than was at one time expected. While it is impossible to predict with certainty how soon the market will resume its upward trend, we remain confident that a sustained rise in price will be experienced in the next year.

Zambia continues to take part in the discussions of United Nations Commission for Trade and Development and with its partners in CIPEC which are aimed at solving the problems arising from cyclical imbalances between copper supply and demand.

FINANCE

While there was a consolidated net loss of K292 000 for the financial year, the company recorded a profit in the June quarter and at present prices continues to trade at a profit. Profitability has been improved by the recent 20 per cent devaluation of the kwacha despite the exchange losses on foreign liabilities.

The company has made every effort to contain costs and this has been reflected in an increase of only 10 per cent in the cost of production in the 1976 financial year compared with the previous year. Capital expenditure has been curtailed, and apart from major development projects expenditure on new fixed assets in the 1976 financial year was only K11 million compared to K20 million in the previous year.

Careful consideration was given to the possibilities of reducing expenditure on major development projects, but only minor re-phasing to conserve cash was possible. Some projects were so close to completion that cancellation charges alone could have made the decision to stop spending uneconomic, but for most projects it was concluded that completion on schedule was in any case vital for the company.

A new project which was approved is the expansion of the leach plant at Chambishi to provide for the production of cobalt metal in 1978. The company's forecast is that the price of cobalt will be high in relation to the costs of production and it was concluded that the project was amply justified.

Work also began on the extension of the Luanshya concentrator needed for the second stage of the exploitation of the Baluba orebody. This project, which is largely covered by new loan finance, is essential to orderly and phased development at Luanshya.

In addition to loan funds negotiated by the company, the Government of the Republic of Zambia through its central bank provided finance needed to maintain operations and borrowings from the Bank of Zambia amounted to K52 million at 30 June 1976.

Repayments to the Bank of Zambia have begun but until these borrowings have been substantially reduced or eliminated there is unfortunately little immediate prospect of a resumption of dividends.

The extreme shortage of foreign exchange which has beset Zambia for some time can be expected to improve in the coming months, but this will depend on the price of copper maintaining some strength. The company will continue to urge on behalf of its external shareholders that amounts paid in respect of Dividend No. 18 may soon be remitted abroad.

FUTURE

The Zambian mining industry has many important assets not the least of which is a stable political climate and an enviable record of good industrial relations. Political developments in Southern Africa are now taking place in areas well to the south of the company's operations and transport routes. For the future, we should be assured of adequate outlets to the sea.

We expect that for some time the price of copper on the London Metal Exchange will continue to be an important measure of the company's fortunes. As it rises from its present levels, we expect that the company will overcome its financial difficulties and again achieve healthy profits.

The path we shall travel in the coming year does not promise to be an easy one. However, the ability to adjust to rapid and quite often sudden change which the management of RCM has demonstrated in the past gives me confidence that your company will respond positively to whatever challenges lie ahead. For Zambia, some of the challenges are rising social expectations, the diversification of the economy, the achievement of higher industrial productivity, and manpower training. In the case of RCM, perhaps the greatest challenge is to strike a balance between the promotion of Zambianization and the retention of an adequate force of skilled and experienced expatriates. Our training and recruitment programmes are designed to achieve this.

Finally, I should like to thank my fellow directors for the support they have given me over the past difficult year. Special thanks go to all employees of RCM who have done so much to keep operations running efficiently and maintain satisfactory production levels at a most trying time in the history of the company.

Roan Consolidated Mines Limited is incorporated in Zambia. Copies of the Chairman's statement, together with copies of the annual report and accounts, can be obtained from its London Registrars, Hill Samuel Registrars Limited 6 Greencoat Place, London SW1P 1PL.

RCM

EUROBONDS

Setback for Canadians

BY TONY HAWKINS

CANADIAN issues were marked down by half a point or more in the Eurobond secondary market yesterday following the sweeping Separatist victory in the Quebec provincial elections. Dealers said that the lower bond prices mainly reflected precautionary marking down rather than significant selling, but pointed out that investors appeared to be more concerned with the prospect of the separatists pursuing socialist programmes rather than separatist ones.

The election results may create a difficult opening climate for the Canada Trustco C$25m. five-year debentures which were priced at par on Monday with the issue having been almost twice subscribed. Canada Trustco will be traded in the secondary market for the first time to-day.

Continuing heavy demand for Euromark issues has led to a decision to trim the coupon on the DM100m. European Investment Bank eight-year issue to 7 per cent. from the 7¼ per cent. indicated originally. The EIB issue will be priced to-morrow as will the DM100m. Norsea Gas —which is reportedly already heavily oversubscribed and a decision to increase the amount, or cut the coupon, would not come as any surprise. In the meantime, secondary market conditions in the Euromark sector remain very firm, partly on currency considerations.

Dresdner Bank is to be lead manager for a new DM100m. Euromark issue for the Brazilian State-owned iron ore group, Companhia Vale do Rio Doce, details of which are due to be announced to-morrow.

In the dollar sector, the $100m. New Zealand Government 10-year bond issue has been priced at 100½ on a coupon of 8¾ per cent. as indicated. The NZ stock was quoted yesterday in first-time trading at 99½/99¾.

In Paris, Smith Barney Harris Upham and Co. have announced that they are lead managers for the $50m. seven-year note issue for the State-owned Spanish rail network, Renfe. The notes have an average life of 5¼ years and carry a coupon of 9½ per cent. Pricing is on November 25.

The indicated coupon for the $20m. Sodra Skogsagarna AB 10-year Eurobond issue has been raised from 9¼ to 9½ per cent., and the offer period has been extended for a week until Nov. 23. This reflects a technical hitch arising out of the fact that a certain class of loan stock was described in the prospectus as being subordinated whereas in fact, it ranks pari passu with this new loan. A spokesman for the management group said that the market had been informed of this technical error and steps would be taken to subordinate the loans, but in the meantime, the offer period has been extended to allow investors to reconsider the position and the coupon has been adjusted upwards by way of compensation. Demand for the issue has been reasonably good and initial response to the changed position has been quite favourable.

BONDTRADE INDEX

	Tuesday	Monday
Medium	101.46	101.46
Long	92.85	92.99
Convertible	104.34	104.09

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

Countryside Properties Ltd.	Billericay	£15,000	30. 6.76
The British Car Auction Group Ltd.	Farnham	£353,021	31. 7.76
Tricentrol Ltd.	London EC2	£171,014	31.12.76
G & G Kynoch Ltd.	Keith	£13,846	31. 8.76
Beralt Tin and Wolfram Ltd.	London EC1	£706,134	31.12.76
Silverthorne Group Ltd.	Dudley	£53,846	30. 6.76
Highland Electronics Group Ltd.	London EC1	£131,282	30. 4.76
Sanderson Murray & Elder (Holdings) Ltd.	Bradford	£67,231	30. 6.76
The Sungei Bahru Rubber Estates Ltd.	London EC3	£31,126	30. 6.76
Lucas Industries Ltd.	Birmingham	£9,564,524	31. 7.76
Smith Industries Ltd.	London NW2	£4,662,390	31. 7.76
Westward Television Ltd.	London W2	£227,292	31. 7.76
Concentric Ltd.	Sutton Coldfield	£583,177	25. 9.76

Published by the Treasury as required by the above Act

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1989	104½	105
Australia 9½pc 1991	99½	99¾
Bowater 9½pc 1986	102¾	101½
Canada N. Rly. 8¾pc 1986	99½	100
CNE 9½pc 1985	100½	101½
Denmark 8¾pc 1984	97½	98½
ECS 9½pc 1986	101½	102
EIB 8¾pc 1989	98¼	99½
Erap 9½pc 1985	102½	103
Esso 8pc 1986 Nov.	102½	103
Eurofima 8¾pc 1983	100½	101½
Granges 9½pc 1983	102	102½
ISE Canada 9½pc 1986	103½	104½
Massey Ferguson 9½pc 1991	103½	104½
Michelin 9½pc 1986	100½	101½
Modo 9pc 1988	97½	98
Natl. Westminster 9pc 1986	99	99½
Newfoundland 9½pc 1989	100½	101
Norpipe 8¾pc 1988	101½	102½
Norsk Hydro 9pc 1991	100	100½
Oslo 9pc 1988	99½	100½
Ports Autonomes 9pc 1991	97½	98
Prov. Quebec 9pc 1984	101½	102½
Quebec Hydro 8¾pc 1986	97½	98½
Prv. Saskatchewan 8¾pc '86	100½	101½
Standard Oil (Ind.) 8¾pc 88	103½	104½
Svenska Handels 9½pc 1986	102½	103
Volvo 8¾pc 1983	102½	103½

NOTES	Bid	Offer
Australia 8¼pc 1983	100½	101½
Australia 8¾pc 1986	99½	100½
ECS 8¾pc 1981	101½	102½
EEC 8¾pc 1982	99½	100½
Kockums 8pc 1983	97½	98½
Michelin 8¾pc 1983	99½	100
Montreal Urban 8¾pc 1981	99½	100½
Nacnl. Financiera 10pc '81	101½	102½
Natl. Coal Board 8¾pc 1981	99½	100
New Brnswk. Prv. 8¾pc '83	101½	102½
Nippon Fudosan 8pc 1981	95½	98
Seagram 9pc 1983	103½	104

D. MARK BONDS	Bid	Offer
Beecham 8pc 1983	101½	102½
Den Danske Bank 8½pc '86	101	101½
Giro. Vienna 7½pc 1983	100½	101½
New Zealand 7½pc 1986	104	104½
Pemex 8pc 1983	99½	100

FLOATING RATE NOTES	Bid	Offer
BFCE 8½ min. 1983	98½	99½
OKB 6¼pc Min. 1982	99½	100¼
B. Tokyo Hg. 6½pc min. '81	99½	100¼
Midland Bank 7¼pc 1983	100½	101

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	81	83
Ashland 5pc 1988	93½	85½
Beatrice Foods 4½pc 1992	100	102
Beatrice Foods 4⅝pc 1992	116	118
Borden 5pc 1992	99	101
Broadway Hale 4½pc 1987	78½	80½
Canon Camera 7¼pc 1990	186 bid	
Carnation 4pc 1987	97½	83½
Chevron 5pc 1988	106	108
Dart 4¾pc 1987	84	86
Eastman Kodak 4½pc 1988	104	106
Economic Labs. 4¾pc 1987	77	79
Fed. Dept. Stores 4½pc '85	117	119
Firestone 5pc 1988	84½	86½
Ford 5pc 1988	95	97
Ford 5pc 1986	84½	86½
General Electric 4¼pc 1987	82½	84½
Gillette 4¾pc 1987	72½	74½
Gould 5pc 1987	97	99
Gulf and Western 5pc 1988	88½	90½
Harris 5pc 1992	93½	95½
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	78½	79½
Komatsu 7½pc 1990	101½	103
J. Ray McDermott 4¾pc '87	135½	137½
Mitsubishi Elec. 7½pc 1991	102½	104
Mitsui 7¼pc 1990	102	103½
J. P. Morgan 4¼pc 1987	109½	110½
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	111	113
J. C. Penney 4½pc 1987	83½	85½
Pioneer 6½pc 1988	269 bid	
Raymond 8¾pc 1993	102	103
Revlon 4½pc 1987	108½	110½
Reynolds Metals 5pc 1988	85½	87½
Sperry Rand 4¼pc 1987	94½	96½
Squibb 4¼pc 1987	77½	79½
Texaco 4½pc 1988	77	79
Toshiba 6½pc 1990	104	105½
Union Carbide 4½pc 1982	105	105
Warner Lambert 4½pc 1987	79	81
Warner Lambert 4¾pc 1988	77½	77½
Xerox 5pc 1988	[illegible]	[illegible]

Hall Thermotank is unconditional.

Österreichische Kontrollbank Aktiengesellschaft

U.S.$40,000,000 Guaranteed Floating Rate Notes 1982

Notice is given pursuant to Condition 5 of the Terms and Conditions of the above mentioned Notes that the Rate of interest (as therein defined) for the Interest Period (as therein defined) from 17th November 1976 to 17th May 1977 is at the annual rate of 6.5 per cent. The U.S. Dollar amount to which the holders of Coupon No. 1 will be entitled on duly presenting the same for payment will be U.S. $32.6805 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which we may make, without further notice, in the event of an extension or shortening of the above mentioned Interest Period.

EUROPEAN-AMERICAN BANK & TRUST COMPANY
17 November, 1976. (Fiscal Agent)

TO THE HOLDERS OF

Vizcaya International N.V.

$25,000,000 Guaranteed Floating Rate Notes Due 1981

In accordance with the provisions of the above Notes, Westdeutsche Landesbank Girozentrale, as Principal Paying Agent therefor, has established the Rate of Interest on such Notes for the semi-annual period ending May 12, 1977 as seven and one-quarter percent (7¼ %) per annum. Interest due on such date will be payable upon surrender of Coupon No. 1.

BANKERS TRUST COMPANY,
Fiscal Agent

DATED: November 17, 1976

هكذا من الأصل

Morgan Guaranty's investment management gets international perspective from an organisation that reaches all major financial centres. At an investment meeting in London are, clockwise from right foreground, Nicholas Potter (head, investment management, Europe), Walter Zinnser (London), Patrick Flavin (Tokyo), Pierre Davron (London), Martin Harrison (London), Karl Van Horn (New York), Georges de Montebello (Geneva), Dominique Robert (Paris), Charles Green (London), Alain Golaz (Paris).

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Morgan Guaranty Trust Company

Hard-fought draw most England can hope for

SOCCER

BY TREVOR BAILEY

ROME, Nov. 16.

ENGLAND'S World Cup qualifier against Italy in the Olympic Stadium here to-morrow is the most important they have played since their elimination from the last World Cup by Poland. If they suffer a heavy defeat, the same fate looks likely to be the outcome. In the light of England's recent performances at Wembley, it is difficult to imagine this well-organised Italian side being decisively beaten there in the return game.

What are England's chances in Rome? Nothing is ever certain in football and three perfectly struck shots at goal could produce a surprise victory, but the indications are that the most manager Don Revie can hope for is a hard-fought draw. The make-up of his side, especially the back four and the midfield trio, suggests that that is his objective.

He has picked players who, at international level, have limitations in finesse, but are competitive and physically strong. Much will clearly depend on how Mills is able to cope with the talented Causio and whether the untried partnership of McFarland and the wholehearted Hughes, with the support of right-back Clement, are able to subdue the double Italian spearhead. Although the rearguard is clearly determined, it is — McFarland apart—short of real class.

There must be a considerable question mark, too, about the effectiveness of a half-back line of Cherry, a competent ball winner, the very promising Greenhoff of Manchester United, who is a converted centreback, and the elegant Brooking. They look better equipped to destroy than to create and one wonders what service they will be able to provide for the one exciting feature of this England side, the three forwards—Keegan, Channon and the enigmatic Bowles.

Keegan and Channon have proved themselves to be of true international calibre, while Bowles unquestionably possesses the necessary skill and flair to create from little. This he may well have to do and it will be far from easy against what is bound to be a highly compact defence.

If England should snatch an early lead, Keegan will presumably come back to assist a hard-pressed midfield trio, while Clemence will need to be at his very best in goal to stop the Italians, who look to have the edge both in individual craft and teamwork.

The best 11 players seldom make the best XI, because every side needs balance. It is to be hoped that on this occasion Don Revie has found the magic mixture and that his team will be able to do the job for which it was selected, namely to prevent the Italians from scoring and, if possible, to sneak a goal themselves.

England will certainly not fail through lack of effort, but they may fail from a shortage of artistry and panache in midfield and at the back. These qualities were painfully missing against Finland in their last match.

Although England will be a hard side to beat, the odds must, I fear, be on an Italian victory by a narrow margin. It could be that we have too many players who have to make up for their deficiencies as complete footballers by wholehearted competitiveness. We shall find out to-morrow.

Above all let us hope that both teams, despite what is at stake, will remember that it is a football match and not a war and that the referee takes firm control of what could so easily develop into something rather nasty.

Boat Show in London until 1980 at least

By Stuart Alexander

THE BOAT SHOW is to st[ay in] London, at least until 1980 [as] the organisers have de[cided] against a move to the Na[tional] Exhibition Centre in Bir[ming]ham.

An agreement has been s[igned] with Earls Court and it is [likely] that there will be moves to [keep] the show permanently in [Lon]don.

Although the industry re[mains] in the doldrums at home, e[xports] are running higher than [ever] and there is a feeling t[hat it] will be more difficult to [attract] foreign exhibitors and visit[ors to] the Midlands.

Central feature of the show, which runs from Ja[nuary] 6 to January 16, will be Br[ighton] Marina, bolstered by f[ashion] shows from Debenhams [and a] parachute display by the [Royal] Marines.

Special excursions have [been] organised to attract visitor[s from] Europe and North Am[erica]. Three years ago, many ma[nufac]turers were turning relu[ctantly] and apprehensively to ov[erseas] sales as the effects of [25 per] cent. VAT bit into the tra[dition]ally strong British mark[et].

Since then, boat builde[rs and] equipment manufacturers [have] grown in confidence to the [extent] that some manufacturer[s are] now running two shifts [to] cope with exports.

Record orders

Total overseas sales [are ex]pected to be well over [...] cent. up this year on the [level] of 1975, with a further b[oost in] 1977.

Record orders were re[ceived] from the recent three boat [shows] in North America as the [market] there has recovered and [sales] are strong throughout E[urope], both helped by the fav[ourable] exchange rate of the pou[nd].

In the Middle East, boat sales are running [at a] healthy level and the U.K. [leads] the way in the provision o[f] commercial craft.

U.K. sales of diesel e[ngines], too, are beginning to ch[allenge] the Japanese at the sma[ll end] of the market, with par[ticular] success going to the new 12 hp unit.

The industry has take[n part] in 14 overseas trade sho[ws and] fairs this year and mount[ed] trade missions leading t[o con]siderable buoyancy for U.[K. pro]ducers, particularly W[estern] Camper and Nie[...], Macwester, Emsworth [...] and Fletcher and Powles.

Exports are running above imports, where th[e main] item, outboard engine[s,] suffered a continuing tu[rndown] in demand.

Doubts raised over report on teaching

CRITICISM of a widely-publicised report which suggested that children do better under formal teaching methods than informal teaching came yesterday in Educational Research, published by the National Foundation for Educational Research in England and Wales. At best, it is claimed in an article on the report of Dr. Neville Bennett, of Lancaster University, published last May, no valid conclusions could be reached on the published evidence.

The article, by Mr. John Gray of the Centre for Educational Sociology at Edinburgh University and Mr. David Satterley of the School of Education at Bristol University, questions the presentation and interpretation of Dr. Bennett's results and their educational significance, and the manner in which a sample was selected for intensive study.

It says that, given a research design so seriously flawed, it is doubtful whether any meaningful conclusions can be drawn from the study.

It also says that on Dr. Bennett's own account the controls for external influences such as the 11-plus were inadequate.

Charges of deception in commodity deals dropped

CHARGES against Mr. Michael Fulton, aged 55, a company director of Chelmsford, have been dropped at the Old Bailey. He was accused of trying to deceive commodity brokers over deals worth £430,000 in 1974.

The decision was taken by Sir Norman Skelhorn, QC, the Director of Public Prosecutions, because Mr. Ernest Wolfgang Brauch, 33, a London property dealer, vanished from Britain last August while facing trial for fraud and currency offences.

No evidence was offered at the Old Bailey yesterday.

Mr. Fulton, a mining expert with interests in South Africa, denied three separate charges of obtaining pecuniary advantages by deception from commodity brokers in the City of London.

Mr. David Tudor Price, prosecuting, said Mr. Fulton's defence would have been that he had himself been deceived by Mr. Brauch.

But since Mr. Brauch had vanished it would not be possible for Mr. Fulton to present his defence in a way to which he was entitled.

The prosecution had decided it was not right to present any evidence against him.

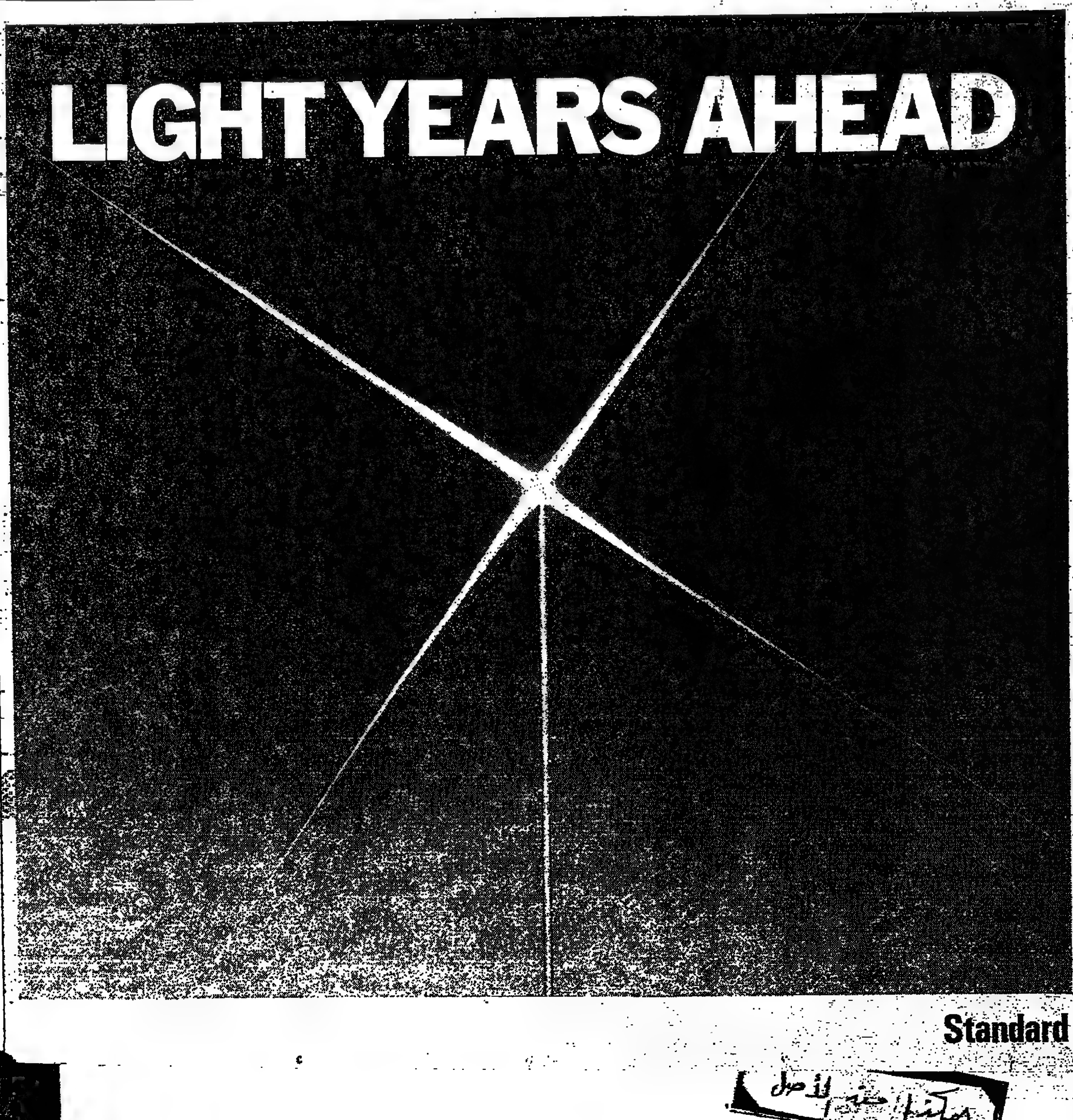
He had denied being involved in evading debts incurred by commodity brokers named as E. Bailey for £300,000, M. L. Doxford for £46,000, and Cometco Investments for £84,000 as a result of deals alleged to have been carried out with them by Mr. Brauch between May and August, 1974.

Mr. Brauch was sent for trial accused of frauds on the London commodity market involving 787,000, and of dollar premium currency offences. A warrant has been issued for his arrest.

Longer wait for L-tests

LEARNER DRIVERS are having to wait an average of 15 weeks for a driving test, three weeks longer than last year, according to an RAC survey published yesterday. At many centres the wait is much greater, and in London, drivers are having to face some of the longest waiting periods.

At two centres—in Norwood and West Wickham—there are delays of over eight months and at several others there is a wait of six months. The shortest delay in the London area is at Ashford, Middlesex, where drivers have to wait 15 weeks for a test.



Entertainment Guide

OPERA & BALLET

THEATRES

[illegible]

CINEMAS

[illegible]

ART GALLERIES

[illegible]

CLUBS

[illegible]

COMPANY NOTICES

GERMAN GOVERNMENT INTERNATIONAL 5½% LOAN 1930 (YOUNG LOAN) CONVERSION BONDS

The Trustee has informed the Bank of England that it is necessary to adjust the amounts payable in respect of the coupons and bonds due on or after the 1st December 1967 in accordance with the provisions of the London Agreement on German External Debts of the 27th February 1953 [Annexe 1, Paragraph 2(e)]

The Trustee has advised the Bank of England that the question of the application of the exchange guarantee in the case of the revaluations of the Deutschemark of March 1961 and October 1969 and of subsequent currency adjustments remains unsettled. The rights of the bondholders with regard to that matter, therefore, remain reserved. Irrespective of whether the coupons maturing on or after the 1st June 1961 are presented for payment or not, and collecting agents should retain details of the holders of Conversion Bonds on whose behalf coupons are lodged.

Coupon No. 48

The Governor and Company of the Bank of England announce, therefore, that *Coupon No. 48 due on the 1st December 1976 in respect of six months'* interest on the Conversion Bonds of the above-mentioned Loan will be paid at the decimal equivalent of the adjusted rate, which has been in force since the 18th November 1967, under the provisions of paragraph 3(d) of the Offer of the Federal Republic of Germany dated the 31st March 1954, subject to further possible adjustment at a later date. Accordingly, the rates applicable to interest will be as follows.

CONVERSION BONDS

Nominal Amount of Coupon	Actual Amount at which Coupon is payable
£2:15.—	£4.56
£13:15.—	£22.81
£27:10:—	£45.63

NOTE:—Collecting Agents should retain details of the holders of Conversion Bonds on whose behalf coupons are lodged.

Bank of England.
17th November 1976.

BRAZILIAN INVESTMENTS S.A. SOCIEDADE DE INVESTIMENTO—DECRETO LEI No. 1,401

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the second Annual General Meeting of the shareholders of BRAZILIAN INVESTMENTS S.A.—SOCIEDADE DE INVESTIMENTO, DECRETO LEI No. 1.401, will be held at Avenida Rio Branco no. 138, 8th floor, Rio de Janeiro, Brazil, on Friday, 26th November, at 10.30 a.m. for the following purposes:

1. To receive and consider the Directors' report and accounts for the Company, the Audit Council's opinion thereon, and that of the independent Auditors, for the year ended 30th September 1976.
2. To declare a final dividend on the shares of the Company of 48 per cent.
3. To elect Cristiano Buarque Franco Neto to the Board of Directors.
4. To elect Noel Kinkead Kinkead-Weekes to the Advisory Council.
5. To elect Ernani de Paiva Simoes as effective member to the Audit *Council in place of Alcides Bastos* Affonso, to elect Manoel Vicorino Pereira Novis as Deputy Member to the Audit Council in place of Carmine D'Elia, and re-elect the other members of the Audit Council.
6. To establish the remuneration of the members of the Advisory Council.
7. To establish the remuneration of the Board of Directors.
8. To establish the remuneration of the Audit Council.
9. To authorize the Directors to establish the remuneration of the Auditors.
10. To discuss other business.

By Order of the Board
G. A. Langlands
Director-Superintendent
Rio de Janeiro
5th November, 1976.

BISHOPSGATE PLATINUM LIMITED AND ITS SUBSIDIARY COMPANY

(Incorporated in the Republic of South Africa)

DIVIDEND ANNOUNCEMENT

For the first quarter of the year ending 30th June, 1977, Impala Platinum Limited has declared a Dividend of 20 cents per Share (first quarter 1976—15 cents).

In consequence thereof, Bishopsgate Platinum Limited has declared a Dividend of 2 cents per Share, notice of which is set out hereunder.

DECLARATION OF DIVIDEND NO. 13

Notice is hereby given that Dividend No. 13 of 2 cents per Share, being the first Interim Dividend for the year ending 31st August, 1977, has been declared payable to members registered in the books of the Company at the close of business on 3rd December, 1976.

The Transfer Registers and Registers of Members will be closed from 6th December, 1976 to 10th December, 1976, both days inclusive, and Dividend Warrants will be posted from the Johannesburg and London Transfer Offices on or about 7th January, 1977.

Members paid from the United Kingdom will receive the United Kingdom currency equivalent on 22nd December, 1976 of the Rand value of their Dividends.

The effective rate of non-resident Shareholders' Tax is 15 per cent.

The Dividend is payable subject to conditions which can be inspected at the Johannesburg and London Transfer Offices of the Company.

16th November, 1976.
Vaughan, Key and Payne
Secretaries
Per: R. G. B. Billing
Registered Office:
10th Floor, Unitas,
42, Marshall Street,
Johannesburg
2001.
Transfer Secretaries:
Union Corporation Limited,
74-78, Marshall Street,
Johannesburg
2001.
M & W M Services,
Granby House,
95 Southwark Street,
London SE1 0JA.

ALUMINIUM PECHINEY

French limited Company, with capital of FF.612,000,000 Registered Office at Lyons 3e, 28 rue Bonnel and Administrative Office in Paris 8e, 23 bis rue Balzac.

Bondholders of the Aluminium Pechiney (formerly Cie Pechiney) loan 9%—1970/85 are hereby informed that the amortisation of US$1,250,000 nominal redeemable on 15th December 1976, has been fully carried out by repurchase on the market.

Furthermore, bondholders are reminded that bonds previously drawn by lot for amortizations of the preceding years and bearing the following numbers have not yet been presented for repayment.

15.12.73: 7617 to 7627.

The following banks will carry out the redemption of the above bonds and the payment of interest due on 15.12.76:

CREDIT LYONNAIS, Luxembourg — CREDIT LYONNAIS, Paris—CREDIT LYONNAIS, Brussels — BANQUE NATIONALE DE PARIS, Paris — MM LAZARE FRERES & Cie, Paris — MM PIERSON, HELDRING & PIERSON, Amsterdam — BANQUE BRUXELLES LAMBERT S.A., Brussels — DEUTSCHE BANK A.G., Frankfurt — COMMERZBANK A.G., Frankfurt—LAZARD BROTHERS & CO. LTD., London — CREDITO ITALIANO, Milan —CREDIT COMMERCIAL DE FRANCE Paris—MORGAN GUARANTY TRUST COMPANY OF NEW YORK, New York.

Amount not yet redeemed at the end of this sixth redemption: US$19,375,000.

The fiscal Agent
CREDIT LYONNAIS-Luxembourg.

BRAZILIAN INVESTMENTS S.A. SOCIEDADE DE INVESTIMENTO—DECRETO LEI No. 1,401

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of BRAZILIAN INVESTMENTS S.A.—SOCIEDADE DE INVESTIMENTO, DECRETO LEI No. 1.401, will be held at Avenida Rio Branco no. 138, 8th floor, Rio de Janeiro, Brazil, on Friday, 26th November 1976, at 11.30 a.m., to consider and, if thought fit, to pass the following Resolution:

THAT the Articles of Incorporation of the Company be amended:

(i) by substituting for Article XIX, Chapter III the following:
"ARTICLE XIX—General Meetings will be presided over by the Director-President and the Secretary of the meeting will be a shareholder of his choice."

(ii) by substituting for item I.a), Article XXXIV, Chapter V the following:
"a) to preside at General Meetings, to call and preside at Directors' Meetings and to carry out the decisions of General Meetings and Directors' Meetings."

(iii) by substituting for item b), paragraph I, Article XXXVII, Chapter VII the following:
"b) dividends or cash bonuses to shareholders."

(iv) by inserting as paragraph IV in Article XXXVII, Chapter VII the following:
"Paragraph IV—The Board of Directors is authorised to pay half yearly dividends after the respective half yearly balance sheet and profit and loss statements have been drawn up."

The above amendments to the Articles of Incorporation are recommended by the Board of Directors, in order to facilitate the holding of Shareholders' Meetings and the declaration and payment of half yearly dividends.

By Order of the Board
G. A. Langlands
Director-Superintendent
Rio de Janeiro
5th November 1976.

Holders of International Depositary Receipts ('IDR's') issued by Morgan Guaranty Trust Company of New York [illegible]

BRAZILIAN INVESTMENTS S.A. SOCIEDADE DE INVESTIMENTO

DECRETO-LAW No.1401

NOTICE IS HEREBY GIVEN that the report and accounts of the captioned company, for the six months period ending September 30, 1976 are available to the shareholders at the offices of Morgan Guaranty Trust Cy of New York in:

Brussels, 35, avenue des Arts,
London, 33, Lombard Street,
New York, 23, Wall Street.

AOKAM TIN BERHAD

(Incorporated in Malaysia)

The Transfer Books will be CLOSED from 10th to 13th December, 1976, both days inclusive.

THE BRAZIL FUND S.A. SOCIEDADE DE INVESTIMENTO D.L. 1401

November 1975 Issue
Bearer Depositary Receipts 'BDRs' Issued by European Overseas Issuing Corporation

DIVIDEND COUPON NO. 2

Coupon No. 2 will be payable from 19th November, 1976 onwards at one of the undermentioned offices at the rate of [illegible]

DAGGAFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

ORDINARY DIVIDEND NO. 77

[illegible]

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
J. C. GREENSMITH
[illegible]

THE IMPERIAL COLD STORAGE AND SUPPLY COMPANY LIMITED

(Incorporated in the Republic of South Africa)

INTERIM DIVIDEND NO. 83 ON ORDINARY SHARES

[illegible]

PUBLIC NOTICES

LOCAL AUTHORITY BILLS

[illegible]

LINREAD LIMITED

NOTICE IS HEREBY GIVEN that the Share Transfer Books of the Company will be closed from [illegible] By Order of the Board, C. H. EDWARDS, Secretary.

APPOINTMENTS

COMMODITY back-up staff wanted. Charterhouse Appointments 01-836 2377.

LEGAL NOTICES

No. 003483 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Group A. In the Matter of FRIENDS' PROVIDENT LIFE OFFICE and in the Matter of THE CENTURY INSURANCE COMPANY LIMITED and in the Matter of the Insurance Companies Act, 1974.

NOTICE IS HEREBY GIVEN, that a Petition was on the 19th October, 1976 presented to Her Majesty's High Court of Justice by the above named Friends' Provident Life Office (hereinafter called "FPL") for the sanction of the Court as required by Section 42 of the above-mentioned Act to a Scheme for the transfer to FPL of the long term business as defined by the said Act carried on by The Century Insurance Company Limited (hereinafter called "Century"). A copy of the said Petition (having annexed thereto a copy of the said Scheme) and of the report on the terms of the said Scheme by an Independent Actuary (as required by the said Section 42 of the said Act) will be open to inspection at (a) the principal office of FPL at Pixham End, Dorking, Surrey RH4 1QA (b) the registered office of Century at 31 St. Andrew Square, Edinburgh EH2 2QS and (c) at each and every other branch office of FPL in England, Wales and Northern Ireland whose addresses are specified in the Schedule hereto during usual business hours on any day (other than a Saturday or Sunday) prior to the hearing of the said Petition.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Slade at the Royal Courts of Justice, Strand, London on Monday the 13th December, 1976 and any person (including any employee of FPL or Century) who alleges that he would be adversely affected by the carrying out of the said Scheme may appear at the time of hearing of the said Petition in person or by Counsel for that purpose in which case he is requested to give not less than two clear days' previous notice in writing of his intention so to appear with the grounds of his objection to the undermentioned Solicitor. Any policyholder of FPL or Century who dissents from the proposed Scheme but does not desire to appear on the hearing of the said Petition should give not less than two clear days' previous notice in writing of such dissent with the grounds thereof to the undermentioned Solicitor. A copy of the said Petition (having annexed thereto a copy of the said Scheme) and a copy of the said Report by an Independent Actuary will be furnished to any person requiring the same by the undermentioned Solicitor at any time before an Order sanctioning the said Scheme is made on the said Petition on payment of the regulated charge for the same.

THE SCHEDULE before mentioned

Office:	Address:
Belfast	Friends' Provident House, 58, Howard Street, Belfast BF1 5PR.
Birmingham	Friends' Provident House, 73-77, Colmore Row, Birmingham B3 2AS.
Bristol	Friends' Provident House, 37-39, Corn Street, Bristol BS1 1HZ.
Cardiff	Friends' Provident House, 11, Windsor Place, Cardiff CF1 3RZ.
Croydon	Woolwich House, 43 George Street, Croydon CR9 1EB.
Ipswich	Princes House, 31, Princes Street, Ipswich IP1 1PY.
Kingston-upon-Thames	81, High Street, Kingston-upon-Thames KT1 1LQ.
Leeds	14, South Parade, Leeds LS1 5QS.
Leicester	Friends' Provident House, 34, De Montfort Street, Leicester LE1 7GB.
Liverpool	57, Dale Street, Liverpool L2 2HB.
London—City	7, Birchin Lane, London EC3P 3BA.
London—West End	11, King Street, St. James's London SW1Y 6QP.
Manchester	7, Tib Lane, Manchester M2 5DJ.
Newcastle-upon-Tyne	Douglas House, 4, Neville Street, Newcastle-on-Tyne NE1 5DU.
Plymouth	Lockyer Street, Plymouth PL1 2QR.
Reading	173, Friar Street, Reading RG1 1HY.
Southampton	8, College Place, London Road, Southampton SO9 5LX.
Watford	53 Clarendon Road, Watford WD1 1LA.

DATED this 12th day of November, 1976.
S. W. HEWITT,
Pixham End,
Dorking, Surrey.
Solicitor for the Petitioner.

No. 003818 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of GRANDSIGN LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was, on the 9th day of November 1976, presented to the said Court by the Commissioners of Customs and Excise of King's Beam House, 39-41, Mark Lane, London, EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 13th day of December, 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London, EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 10th day of December 1976.

In the Matter of The Companies Act, 1948 and in the Matter of ALFORD KIMBER & CO. LIMITED, Registered Office: Block "C," Atlas Works, Ramsgate Street, Dalston Lane, London E8 2NA.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 33 Clifford's Inn, Fetter Lane, E.C.4, in the City of London, on Wednesday, the 24th November, 1976, at 3.30 p.m., for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 9th day of November, 1976.
By Order of the Board,
MICHAEL DEFRIES, Director.

No. 003692 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the matter of INTERIOR LONDON LIMITED and in the Matter of the Companies Act 1948

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 5th day of November 1976 presented to the said Court by H. K. FURNITURE LIMITED whose Registered Office is at Omega Works, Hermitage Road, London, N.4, Furniture Manufacturers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 6th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BIDDLE & CO.,
1, Gresham Street,
London, EC2V 7BU.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 3rd day of December 1976.

No. 003790 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PUREFARE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 8th day of November 1976, presented to the said Court by PALMER AND HARVEY LIMITED whose registered office is situate at 48 New North Road, London, N.1, Wholesale Tobacconists and Confectioners, a Creditor of the above named Company, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 13th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ASHLEY KALMS, TRAVELL & CO
[illegible]
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of December 1976.

No. 003716 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ELENPLACE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above named Company by the High Court of Justice was on the [illegible]

KENNEDYS,
[illegible]
London N.3.
London Agents for
Messrs. Hugh F. Dickins,
of 200, High Street, Potters Bar, Herts.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above named not later than four o'clock in the afternoon of 10th December 1976.

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

BUSINESS AND INVESTMENT OPPORTUNITIES

TRAVEL

CONCERTS

OBITUARY

DOBERER on the 7th November, after a short illness, Frederick William of Kyeema, Kurralong, N.S.W. Much loved husband of Roma and brother of Mary.

CONTRACTS AND TENDERS

UNITED ARAB EMIRATES.

International Tender No. MH/51/76 to import and equip Ministry of Health projects in UAE with equipment and other medical requirements

1. The Ministry of Finance and Industry invites the specialised firms and companies to tender for the above mentioned items.
2. Tender documents can be obtained from the Ministry of Finance and Industry (Purchasing Department), Abu Dhabi and Dubai during working hours, against non-refundable payment of DHS. 3000/- (DHS. Three thousand only).
3. The initial deposit in the form of Bank Guarantee for not less than 50% of the total value of tender, valid for 90 days from the closing date must accompany the tender.
4. The tenderer awarded with this tender or a part of it, must present a final deposit for 10% of the total value of items awarded to him in the form of unconditional Bank Guarantee issued by one of the operating Banks in UAE, valid until the last specified date for importing the same.
5. Tenders either to be put in the prepared box in the Ministry of Finance and Industry, Dubai or sent by registered mail to:

POST BOX 1565
DUBAI/UAE

not later than 10.00 am Saturday January 22nd, 1977 the closing date, addressed to:

(TENDERS COMMITTEE)
MINISTRY OF FINANCE
AND INDUSTRY
DUBAI, TENDER No. MH/51D/76

Signed by
Deputy Minister

GOVERNMENT OF ABU DHABI SEWERAGE PROJECTS COMMITTEE CONTRACT No. 111

NORTH EASTERN AREA TRUNK FOUL SEWERS PUMPING STATION 2/5 TO PUMPING STATION 2

Tenders are invited from experienced Contractors for the execution of the following works in Abu Dhabi.

(i) The construction of the substructure and superstructure of three pumping stations, together with various ancillary buildings and siteworks.
(ii) The construction of a fourth temporary pumping station and its subsequent conversion to a gravity manhole.
(iii) The supply and construction of approximately 9 km of Glass Reinforced Plastic trunk foul sewer varying from 900 mm to 1,800 mm diameter complete with manholes and chambers.
(iv) The supply and construction of approximately 26 km of vitrified clay interceptor subsidiary and lateral foul sewers varying from 100 mm to 500 mm dia. complete with manholes and chambers.
(v) The provision and erection complete of all machinery plant and electrical goods for the four pumping stations.

Tender documents may be purchased by suitable firms or their agents from 15th November, 1976 onwards from either the Sewerage Projects Committee, P.O. Box 3487, Fayed Buildings, Hamdan Street, Abu Dhabi, on payment of 15,000 Dirhams or from John Taylor and Sons, Artillery House, Artillery Row, London, SW1P 1RY, on payment of £2,500 sterling.

Tenders should be deposited at the offices of the Sewerage Projects Committee in Abu Dhabi not later than 1800 hours on Monday, 31st January, 1977.

EDUCATIONAL

Christmas Gifts

PERSONAL

DO YOU KNOW A POOR SLEEPER? Give a country hop pillow containing pure English dried hops. The safe, reliable way to relieve insomnia and nervous tension. Brochure. The Maltings (L1), Horsecroft Road, Bury St. Edmonds, Suffolk.

WALL STREET + OVERSEAS MARKETS +FOREIGN EXCHANGES

Further early gains on bullish news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 16.

FURTHER GAINS were scored on Wall Street to-day, following yesterday's bullishly construed remarks made by President-elect Carter, despite lingering news on the nation's slowing economy.

By 1 p.m. the Dow Jones Industrial Average was up another 5.02 at 940.74 and the NYSE All Common Index further improved 29 cents to $53.71, while advances outnumbered declines by a two-to-one margin. Trading volume expanded 3.23m. shares to 13.14m., compared with 1 p.m. yesterday.

Closing prices and market reports were not available for this edition.

Analysts said part of the Stock Market's rise was due to conciliatory remarks by President-elect Jimmy Carter toward Dr Arthur Burns, chairman of the Federal Reserve Board. Carter said at a Press conference yesterday he expects to work harmoniously with the Fed chairman, who has called *for moderate monetary expansion* to fight inflation.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Chrysler	314,270	18½	−¼
Sonesta Elec.	302,000	19½	−⅝
Amer. Tel. Tel.	259,500	62	−¼
Texaco	210,100	25½	−¼
General Motors	169,500	68½	+½
Dow Chemical	147,200	39¼	—
Warner Commun.	139,700	24½	—
NL Industries	135,500	17¼	−¼
Atlantic Richfield	134,500	54½	+½
Exxon	130,600	49½	−¼

Halliburton rose $1 to $64½, and Heublein $1 to $44½.

IBM rose $½ to $263½ on the introduction of two new small computers. Burroughs gained $¾ to $90¼.

Hewlett-Packard improved $1 to $83½, Digital Equipment $1¼ to $50½ and Data General $1¾ to $44½.

But Warner Communications gave up $2½ to $22¾—it will accept 80 per cent. of its shares tendered under an exchange offer.

Johnson and Johnson put on $1¼ to $82½, and Sabine Royalty $1¾ to $51.

Among the most actively traded issues, Exxon moved up $½ to $49½—it is one of four companies in a production sharing pact with Petronas, the National Malaysian Oil Company.

General Motors put on $½ to $68½, and Chrysler actively traded, rose $½ to $18½. Ford held unchanged at $55½.

Tyco Laboratories improved $½ to $14½—it granted Gillette an option to use Tyco Technology in razor blades.

The AMERICAN SE Market Value Index, however, shed 0.04 to 98.57, while the trading volume expanded 660,000 shares to 1.65m., compared with 1 p.m. yesterday.

OTHER MARKETS

Canada sharply lower

The price slide of Quebec-based issues steepened in light trading on Canadian Stock Markets yesterday morning.

The Industrial Share Index gave way 3.70 to 168.97, Golds 13.7 to 257.69, Base Metals 0.77 to 79.14, Western Oils 1.93 to 201.88, Utilities 2.52 to 136.16, Banks 2.63 to 235.18, and Papers 0.27 to 105.63.

Bell Canada slipped $1⅝ to $46½, *the Preferred "B" $1 to $47, and* the Preferred "D" $1¼ to $48½.

Alcan Aluminium declined $1¾ to $22¼ in active trading. Asbestos dipped $2½ to $25. Consolidated-Bathurst were off $1¼ to $27½. Bank of Montreal lost $½ to $14½, and *Royal Bank shed $⅜ to $26.*

PARIS—Generally lower, led by Steels which were affected by the Communist Parliamentary proposal to nationalise the sector and also by rumours that the Industry may make several thousand workers redundant next year.

In Foods, BSN-Gervais Danone fell Frs.10 to 506, despite a 14 per cent. sales increase in the first nine months.

A few isolated firmer spots were *CGE in Electricals*, Sogerap and Merieux in Chemicals and Grands Travaux de Marseilles in Civil Engineerings.

Foreign stocks generally declined, notably Golds. But American and German issues *were slightly higher.*

BRUSSELS—Mixed after a slow trading session.

Steels eased, non-Ferrous Metals also were mostly off, Chemicals mixed, Oils declined, Electricals and Utilities higher, Holdings finished *narrowly* mixed.

Small gains predominated among U.S. stocks but South African Gold Mines gave ground. Dutch and French *sectors* lower, but Germans firmed.

AMSTERDAM—Shares generally gave ground and losses in Dutch Internationals were led by Akzo off Fls.0.7, and Hoogovens, off Fls.1.2, ahead of their third quarter figures due later this week.

Philips eased Fls.0.3 on its nine-month figures and forecast for the whole year.

Unilever, however, firmed Fls.0.2 pending its third quarter figures due to-day.

Most Insurances and Banks gained some ground against the general trend.

State Loans were quietly mixed.

SWITZERLAND — Irregularly higher in generally quiet dealings.

Leading Banks were little changed, while Insurances were barely steady. Bally continued its recovery in Financials.

"Baby"-Roche rose in Over-the-Counter dealings on the company statements that the U.S. Federal Trade Commission found its U.S. unit had not violated free competition rules.

Dollar stocks improved, while Dutch Internationals edged lower apart from resistant Philips. Germans *firmed* slightly.

GERMANY—Most shares rose on some investment demand.

Banks moved up under the lead of Deutsche, which rose DM3.5.

Among Steels, Mannesmann put on DM3 while in Motors, BMW advanced *DM4.2, Daimler DM2.50* and VW DM0.70.

Chemicals and Electricals were between DM0.70 and DM1.70 stronger. Base rose DM1.70 ahead of its nine-month group figures.

Public Loans gained up to DM0.60 on good demand, while the Regulating Authorities sold DM60m. nominal of stock. Foreign *Mark Loans also gained ground.*

MILAN—Most prices down on Settlement selling.

Snia Viscosa held unchanged at L960—it told Unions of plans to re-group some textile plants.

VIENNA—Easier in light trading. Motors were among the *few* gainers.

OSLO—Industrials were barely steady. Bankings firmer, while Insurances and Shipping were quiet.

COPENHAGEN—Lower in moderate dealings.

HONG KONG—Market eased further in quiet trading amid general lack of buying interest and continued nervousness about the oil price situation.

Hong Kong Wharf lost 40 cents to $HK13.60. Jardine Matheson 10 cents to 16.00. Swire Pacific 10 cents to 8.90, Hong Kong Land 5 cents to 6.55 and Wheelock 5 cents to 2.60.

TOKYO—Market declined on profit-taking, led by Motors and Electric Appliances. Volume 220m. shares.

Nissan Motor lost Y14 to 526 and Toyota Motor Y15 to 891.

Sony gave way Y50 to 2,250, Pioneer Y90 to 2,200 and T. D. K. Electronics Y30 to 1,770.

AUSTRALIA—Leading Minings and Industrials were narrowly mixed on lack of buying support in the absence of fresh factors.

Among Minings, Pancontinental rallied 20 cents to $A8, but QLD Mines fell 10 cents to $A1.85.

Thiess lost 5 cents to $A1.95, CSR 16 cents to $A3.62 and Myers 3 cents to $A2.05.

JOHANNESBURG—Gold shares continued easier as overseas indications remained weaker.

Financial Minings also were easier, Coppers were quietly off and Platinums were occasionally down. Other Minerals eased.

Indices

NEW YORK—DOW JONES

	Nov. 15	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 8	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	935.42	927.69	931.45	924.04	930.77	935.66	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home B'nds*	88.79	88.68	88.88	88.53	88.70	89.50	89.85 (25/8)	86.69 (15/7)	—	—
Transport	212.93	211.81	211.76	210.50	211.76	211.75	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	98.96	98.67	98.45	98.15	98.22	97.56	99.02 (21/9)	84.8 (26/5)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	18,710	15,550	15,280	18,890	19,210	16,520	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Nov. 15	Nov. 5	Oct. 29	Year ago (approx.)
	4.35	4.07	3.98	4.43

STANDARDS AND POORS

	Nov. 15	Nov. 12	Nov. 11	Nov. 10	Nov. 9	Nov. 5	1976 High	1976 Low	Since compilation High	Since compilation Low
* Industrials	111.55	110.75	111.26	110.26	110.86	111.21	120.89 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
† Composite	99.90	99.24	99.64	98.87	99.32	99.60	107.83 (21/9)	90.90 (2/1)	125.24 (11/1/73)	4.40 (1/6/32)

	Nov. 10	Nov. 3	Oct. 27	Year ago (approx.)
Ind. div. yield %	3.89	3.75	3.61	3.66
Ind. P/E Ratio	11.14	11.53	11.52	12.02
Long Govt. Bond yield	5.36	5.39	6.56	6.07

N.Y.S.E. ALL COMMON

Nov. 15	Nov. 12	Nov. 11	Nov. 10	1976 High	1976 Low
53.42	53.10	53.29	52.90	57.61 (21/9/76)	37.08 (2/1/76)

Rises and Falls	Nov. 15
Issues Traded—1,867	Up—777
Down—596	Same—494
New Highs 23	New Lows 34

MONTREAL	Nov. 15	Nov. 12	Nov. 11	Nov. 10	1976 High	1976 Low
Industrial	172.21	172.57	175.55	172.70	207.53 (19/3)	172.21 (15/11)
Combined	172.74	172.96	175.61	175.28	199.76 (20/6)	172.74 (15/11)
TORONTO Industrial	172.67	172.80	175.30	175.18	197.46 (20/3)	172.67 (15.11)
JOHANNESBURG Gold	812.2	175.9	170.2	169.7	236.7 (12/3)	113.5 (25/9)
Industrials	174.8	175.0	176.0	174.9	195.0 (21/5)	174.1 (5/11)

	Nov. 16	Previous	1976 High	1976 Low
Australia (a)	418.90	420.55	522.63 (19/3)	418.90 (16/11)
Belgium (b)	87.95	88.23	115.19 (5/2)	87.15 (26/10)
Denmark (d)	101.65	102.64	117.70 (19/6)	100.14 (14/10)
France (e)	54.4	54.9	74.3 (3/3)	52.5 (26/10)
Germany (f)	712.4	706.0	821.7 (17/3)	687.7 (29/10)
Holland (g)	85.2	86.4	105.4 (5/2)	77.9 (15/10)
Hongkong (h)	385.47	387.56	465.33 (17/3)	354.83 (2/1)
Italy (k)	66.45	68.69	91.47 (25/2)	64.93 (10/11)
Japan‡ (m)	346.16	348.18	379.81 (1/9)	326.38 (2/1)
Singapore (n)	248.90	248.95	286.18 (5/2)	236.35 (2/1)

	Nov. 16	Previous	1976 High	1976 Low
Spain (p)	72.28	(e)	108.78 (7/5)	72.22 (11/11)
Sweden (q)	388.00	388.99	476.35 (10/5)	366.51 (5/1)
Switz'rl'd (r)	281.1	280.5	293.6 (1/5)	260.5 (15.11)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (e) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £ — 120½% (120%).

NEW YORK

Stock	Nov. 15	Nov. 12
Abbot Labs	47¼	47¼
Addressograph	10⅛	9⅞
Corning Glass	63½	63⅝
CPC Int'nation'l	42¼	42
Crane	26½	26⅞
Crocker Nat.	24⅝	24¼
Crown Zellerbach	45	44¼
Johns Manville	31⅝	32½
Johnson Johnson	81¼	80⅝
Johnson Control	21½	21⅛
Joy Manufactu'g	35¾	35¾
Kaiser Aluminium	29	29
Republic Steel	30⅞	31⅛
Revlon	43⅝	43½
Reynolds Metals	34¼	34½
Reynolds R. J.	63¼	62⅞
Xerox	58⅝	57¼
Zapata	[illegible]	10½
Zenith Radio	[illegible]	[illegible]
Chile 6% 1995	[illegible]	[illegible]
U.S. Treas. 4% 1980	[illegible]	[illegible]

[illegible]

CANADA

[illegible]

GERMANY

Nov. 16	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	81.9	+1.5	—	—
Allianz Versich.	479	+2	18	2.2
B.M.W.	211	+4.2	18	4.3
B.A.S.F.	160	+1.7	14	4.7
Bayer	129.6	+1.7	14	5.5
Bayer Hypo.	279	+1	20	3.6
Bayer Vereinsbank	279.6	+2.9	20	3.0
Commerzbank	18.6	+2	16	5.0
Conti. Gummi	70	+.4	[illegible]	[illegible]

[illegible]

MILAN

Nov. 16	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	465	−35		
ANIC	76	−5		
Assonia Fin.	6,900		120	4.5
Bastogi	838	−21		
Breda	1,089	−1	160	8.0
Burgo	8,250	+151		
Cantoni	5,450	−10		
CIGA	1,350	−8		
Cucirini	5,700	−25	255	7.4

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

Nov. 16	Aust. $	+ or −
ACMIL	†1.05	+0.01
Acrow Australia	†1.50	
Adelaide Brighton Cement 50c	†1.75	−0.02
Allied Mnfg. Trdg. Indust. $1	†0.90	
Ampol Exploration	†1.05	−.05
Ampol Petroleum	†0.58	
Assoc. Minerals	†2.0	
Assoc. Pulp Paper $1	†1.70	
Assoc. Con. Industries	†1.55	
Aust. Foundation Invest.	†0.77	

[illegible]

TOKYO

[illegible]

Source Nikko Securities, Tokyo

STOCKHOLM

[illegible]

OSLO

[illegible]

BRAZIL

[illegible]

Vol. Cr. [illegible]. Shares [illegible]. Source: Rio de Janeiro

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN

November 16 | Per cent.

[illegible]

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ♦ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‖ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa ex all. Δ interim since increased.

Gold lower

Gold fell $5½ to $133½-134½ yesterday, following profit taking after the recent sharp rise. The metal gained $3½ on Monday, and closed at its best level since January 6. Yesterday's profit taking followed a rise of over $28 since the last gold auction by the International Monetary Fund on October 27. The krugerrand's premium over its gold content widened to 3.18 per cent. from 1.97 per cent. for domestic delivery, but narrowed to 2.43 per cent. from 3.41 per cent. in the international market.

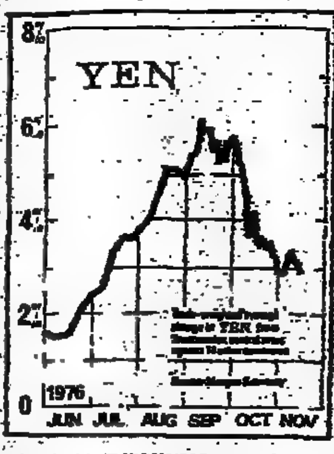
The Canadian dollar lost ground in the foreign exchange market after the victory of the French separatist party in the Quebec provincial elections. The Canadian unit's cross rate against the U.S. dollar touched a worst level of 101 U.S. cents, but recovered to a high point of 102.12, before closing at 102.01½ compared with 102.45½ previously. Market activity was not very heavy however.

Trading in sterling was also not at a very high level. The pound opened at $1.6400-1.6415, and touched a best level of $1.6435-1.6445, before closing at $1.6425-1.6435, a gain of 15 points on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, narrowed to 45.6 per cent. from 45.7 per cent., *after standing at 45.6 per* cent. throughout.

The dollar's trade-weighted depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, narrowed to 2.11 per cent. from 2.28 per cent.

The Frankfurt market is closed to-day for a public holiday in West Germany and this may have been reflected in the quiet trading in foreign exchange markets yesterday.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 12	Nov. 15
Sterling	0.710014	0.701819
U.S. dollar	1.15363	1.15386
Belgian franc	42.7535	42.8313
Deutschemark	2.78590	2.79225
French franc	5.74537	5.75113
Italian lira	—	998.637
Japanese yen	339.975	340.100
Dutch guilder	2.91465	2.92100
Swedish krona	4.88216	4.89144
Swiss franc	2.81659	2.81900

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 16	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.4180 95	48.51 67	6.1-2	3.985-70	96.60-65	99.02 03
N. York *	41.40-42	—	20.08-15	2.698 702	1.6420-30	39.37-9	40.96 [illegible]
Paris	205.765 166	4.9737-9797	—	13.430 465	8.182 205	195.8 97.3	203.915 305
Brussels	15.41-5	37.08-11	7.43-45	—	60.90 61.05	14.54-57	15.16-0
London	3.972-83	1.6425 35	8.181-19½	60.80-61.0	—	4.154-16½	4.01 02
Am'rd'm	104.3 52	2.5297 5322	50.8 81	6.273 8225	4.1566 1585	—	103.54 59
Zurich	100.98-05	2.4421 29	48.98-49.05	6.521-910	4.0125-65	96.56 63	—

U.S.$ in Montreal: U.S.$=97.78-80 Canadian cents.
Canadian $ in New York: C$=102.27-29 U.S. cents. U.S.$ in Milan 865.25-866.65.
Sterling in Milan 1422.0-1423.0. *Rates for Nov. 15.

EURO-CURRENCY INTEREST RATES*

Nov. 16 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	15½-16	4¾-5	8¼-9¼	8⅞-9⅛	3⅞-4⅛	1½-1¾
7 days notice	15⅛-16	4⅞-5⅛	8½-9½	8⅝-8⅞	3⅞-4⅛	1-1¼
Month	15⅛-16	5-5¼	9⅛-9⅜	8⅝-8⅞	4⅛-4⅜	2¼-2⅝
Three months	15½-15⅞	5⅛-5⅜	9¼-9½	8⅛-8⅜	4⅝-4⅞	2¼-2⅝
Six months	15⅝-16	5⅝-5⅞	9½-9¾	8⅛-8⅜	4⅝-4⅞	2⅝-2⅞
One year	15¼-15⅝	6-6¼	9-9¼	7⅞-8⅛	5[illegible]	2[illegible]

Euro-French deposit rates: two-day 10½-10¾ per cent.; seven-day 10-10¾ per cent.; one-month 10½-10¾ per cent.; three-month 12-12½ per cent.; six-month 12½-12¾ per cent.; one year 12-12½ per cent.

Longer-term Eurodollar deposits: two years 6¾-7⅛ per cent.; three years 7⅛-7⅜ per cent.; four years 8⅛-8½ per cent.; five years 8⅜-8⅝ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 14 15/16-5 1/16 per cent.; three-month 5⅜-5½ per cent.; six-month 5⅛-5¼ per cent.; one year 15 15/16-16 1/16.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKET

	Nov. 16	Nov. 15
Gold Bullion (a fine ounce)		
Close	$133½-134½	$138[illegible]
Opening	$135-136	$137[illegible]
Morning fix'g	$134.75 (£82.018)	$138[illegible] (£84[illegible])
Afternoo'n fix'g	$133.25 (£81.122)	$138[illegible] (£84[illegible])
Gold Coins (domestically)		
Krugerrand	$137-139 (£83½-84½)	$141[illegible] (£86[illegible])
New Sov'r'gns	$48-50 (£29½-30½)	$49½[illegible] (£30[illegible])
Old Sov'r'gns	$46-48 (£28-29)	$46½[illegible] (£28[illegible])
Gold Coins (Intern'nally)		
Krugerrand	$136-138 (£83-84)	$143[illegible] (£87[illegible])
New Sov'r'gns	$48-50 (£29½-30½)	$49½[illegible] (£30[illegible])
Old Sov'r'gns	$41-43 (£25-26)	$42½[illegible] (£26[illegible])
$20 Eagles	$219-222	$221[illegible]
$10 Eagles	$116-119	$119[illegible]
$5 Eagles	$76-79	$78[illegible]

FOREIGN EXCHANGES

Nov. 16 1976	Bank Rate %	Day's Spread
New York	5¼	1.6400-1.6445
Montreal	8½	1.6070-1.6250
Amsterdam	7	4.14-4.17
Brussels	9	60.70-61.20
Copenhagen	11	9.70-9.75
Frankfurt	3½	3.96-3.99
Lisbon	6½	51.40-51.90
Madrid	7	112.10-112.60
Milan	15	1,418-1,424
Oslo	6	8.68-8.71
Paris	10½	8.17-8.20
Stockholm	8	6.94-6.98
Tokyo	6½	480-485
Vienna	4	28.1-28.45
Zurich	2	4.00-4.05

* Basic discount. † Rates given for convertible franc; financial franc 81.50.

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

[...] treaty [...]nsion [...] dashed

[...]eeves

[BRU]SSELS, Nov. 16.

[...]AS no hope of [...] present fisheries [...]ith Iceland beyond [...] expiry date of [...]t became clear here

[...] Government is also [...] concerned at the [...]e European Com[...] in negotiations with [...]nion with the aim [...] reciprocal fishing [...] the time the Com[...]es its own 200-mile [...]ary 1.

[...]e the two main [...]rge from the meet[...]mmunity Foreign [...]lay.

[...] on his mission to [...]t week. Mr. Finn O. [...]he Brussels Com[...]porarily in charge [...]elations, said that [...] atmosphere in [...]uch as to make an the Anglo-Icelandic [...]ched after the "cod [...]mmer, out of the [...]ere was, however, [...]y of a very small [...]itish trawlers being [...]h off Iceland pend[...]ehensive Icelandic [...]pact. The number [...]ably be well under [...]vlers allowed at

[...] with the Russians [...] Soviet Union still [...]ially recognise the [...]mmunity and it is [...]wn whether it is [...] into negotiations. [...]it were, the Com[...] from sure of its

[...] market [...]es

[...]Mooney

[SU]GAR prices lost [...]lay with the March [...]e London futures [...] at £133.625 a ton, [...] the day. Taken [...]s fall, this means [...] has lost most of [...]t gain in only two [...]orning, the London [...]ar price was fixed [...]20 a ton, following [...]decline.

[...]es opened virtually [...]out were pushed [...] late morning by [...]ted, in the view of [...] by posting of ten[...] tons of Mauritius

[...]s also encouraged [...] level of export [...] granted at yester[...]ender. The total [...],450 tonnes, which [...] 38,000 last week [...]0 the week before.

Farm land loss 'could lead to food rationing'

THE CONTINUED take-over of good farming land by the growing urban sprawl could lead to *food rationing in due course*, Lord Rothschild, former head of the Government's "Think Tank," said yesterday.

"The danger, as I see it, is that *unless we deal with the problem* of continual loss of farmland, food or the lack of it, will surpass all the other crises that beset us," he said.

"*People want* to have enough to eat and there would be considerable resistance in the country to rationing or anything like that. But unless we do *contain this depletion of* agricultural land, and unless we pay some regard to this problem, we may be faced with rationing in due course."

Lord Rothschild was speaking at a Press conference on the publication of the first report by the Centre for Agricultural Strategy, which was set up a year ago by the Nuffield Foundation. Lord Rothschild is chairman of the advisory committee.

He said the report revealed an amazing situation in this country. "Agricultural land is disposed of without the Ministry of Agriculture having any executive authority over what happens to it."

John Cherrington, *Agriculture* Correspondents writes: The present annual farmland loss amounts to about 49,000 acres to urban uses and 60,000 acres to forestry, but the report underlines that the exact assessment of the quality of the land which is lost to either function is at present unknown.

It therefore suggests that as a first step a land inventory organisation should be set up to monitor the differing uses of land in the country.

In addition it is recommended that Government agriculture departments should be given the responsibility for transfers of land to ensure that agriculture and forestry be given precedence over other uses where possible.

By this means it is hoped that transfers to urban use could be reduced by some 40 per cent. and that forestry could, if necessary, be increased substantially with only a very small loss of agricultural potential. Much better use could be made, the report infers, of land which is derelict and of poor quality, both for urban and forestry purposes.

The effects of potential land loss on food production are *examined in the report, and it is* claimed that if agricultural output per unit area continues to grow at about 3 per cent. per annum, the expected loss in land *could be compensated for.* In fact, it is feared that this rate of growth has been falling lately to 1 to 1.5 per cent. and at this level the maintenance of what *the report calls 70 per cent. self*-sufficiency could be jeopardised.

Feedingstuffs

In any case it emphasises that much of the recent increase in production and productivity has been due to fossil fuels and other inputs which are becoming expensive and in short supply.

The 70 per cent. self-sufficiency figure is probably a high one as it must include the use of considerable quantities of feedingstuffs *imported from overseas*. The more generally accepted figure for self-sufficiency at present is 60 per cent. which includes these feed imports.

Nor does the report take into account the marked fall in the consumption of high value protein foods as prices rise under the impact of the prices set in the Common Agricultural Policy.

In this its first report, the Centre has undoubtedly selected a subject which requires *urgent* consideration by Government. There is every reason for a proper allocation of the scarce land in this country between the *claims of food production*, urban amenities and forestry interests.

Canadian aluminium strike settled

BY JOHN EDWARDS, COMMODITIES EDITOR

SETTLEMENT OF a five-month-old strike at three Alcan smelters that has affected aluminium supplies worldwide was officially announced on Monday at *Jonquiere, Quebec.*

A majority (61 per cent.) of the 6,300 employees at the Alcan smelters in Arvida, Alma and Beauharnois voted to accept the recommendations of a mediator. A new labour contract has been signed and a return to work already started.

The company expects first production to start within two weeks and full operating levels to be reached by three months.

The smelters going back to work have a production capacity of 600,000 short tons a year and account for some 60 per cent. of Alcan's aluminium output in Canada. As a result of the strike, Alcan has declared *force majeure* in several overseas markets, including the U.K., because of the reduced supplies available from Canada.

A recent down-turn in demand following the slowing down of the industrial recovery in leading industrialised countries helped ease pressure on supplies.

Nevertheless, stocks of primary aluminium held by members of the International Primary Aluminium Institute fell to 2,278,000 tonnes at the end of September, compared with 3,390,000 tonnes held in September 1975.

How quickly the flow of supplies from Alcan can be resumed depends to a certain extent on the extent of the damage done to potlines during the period of bitterness when the strike started.

At the same time another strike by a different union started some 10 days ago at the fourth Alcan smelter in Quebec —*Shawinigan*—which has a capacity of around 70,000 short tons a year.

Negotiations on this dispute have now been resumed after breaking down when the workers walked out on November 4.

Our Montreal correspondent writes: The new contract will cost Alcan about $68m. over its life of 30 months. The mediator's proposal had the effect of bringing forward wage increases in the last company offer.

Alcan had offered 11.5 per cent. in the first year, 8 per cent. in the second, and 5 per cent. in the final six months. The mediator's proposals are effective in three ten-month stages. The last agreement with the Federation of Aluminum Unions ran out on May 31.

Wool bale weight row continuing

By Our Own Correspondent

CANBERRA, Nov. 16

AN OVERWHELMING majority of workers in wool stores throughought Australia have rejected proposals from their union that they end their nine-months-old *ban* on the *handling* of wool bales weighing over 180 kilos.

Gold fall hits metal markets

By Our Commodities Staff

THE SUDDEN drop in the gold market brought a downturn in silver and base metal prices yesterday. Silver led the way down, with the spot quotation on the bullion market being cut by 12.45p to 265.8p an ounce at the morning fixing.

Copper was unsettled by the shake-out in silver and gold. Cash wirebars which had moved up by £6 *on Monday* lost £13.5 yesterday to close at £785.5 a tonne, although the market was steadier—like silver—in late trading.

Tin *followed* the downward trend, also recovering in afternoon dealings. Despite a substantial rise in the Penang market overnight, tin prices *fell in the morning*, but rallied later with cash tin ending £32 lower at £4,934 a tonne. Lead and zinc eased reflecting the trend in copper.

***On Monday* there were few surprises in the warehouse stocks figures. Copper stocks rose by 5,525 tonnes to a record total of 586,650 tonnes—the *increase was slightly less than* expected but had little impact on the market. Tin stocks showed little change rising by 55 tonnes to 6,650. Lead stocks *too* rose by only 250 to 66,650 tonnes, while zinc stocks fell by 1,975 tonnes cutting the tiotal to 110,900 tonnes.**

Subsidies for British food 'shameful'

By Peter Bullen

ashamed that its EEC neighbours were subsidising *its food* bill by over £1.5m. a day said the Duke of Northumberland last night.

The Duke, who is chairman of the Agriculture Economic Development Committee, told the Farm Management Association in Harrogate: "It may be expedient, it may even be necessary in the very *short term*—but let us recognise that it is shameful and cannot last."

The Agriculture Little Neddy had set out the balance of arguments on the "*Green Pound*" issue but the need to control inflation had militated against any devaluation he said.

On expansion of home food output he said if this year's production was no better than last year's, then in the three years to 1980 U.K. agriculture would need an average 9 per cent. growth of net product to be back on course in order to be saving £650m. a year on food imports

UNITED NATIONS

Need for a decision on tungsten pact

BY DAVID EGLI IN GENEVA

THE UNITED NATIONS Trade and Development Conference *Secretariat has called for* a decision in principle to move forward to early negotiations on an international tungsten stabilisation arrangement.

Mr. B. Chidzero, the director of the Unctad commodities division, noted at the opening of a five-day meeting of the tungsten committee here that good *progress had been made towards* resolving some of the technical complications which could arise in connection with a tungsten stabilisation arrangement.

But, he said, the stage may now have been reached at which further progress would hardly be possible without a decision in principle to move forward to early *negotiations*, and "the most active and constructive co-operation of all parties."

Two approaches to the problems of the tungsten market are reflected in the work of the committee. On the one hand there is the traditional approach stressing the need for adequate statistical information and the belief that this, in itself, can help in reducing the volatility of tungsten prices.

Strategy

It is felt tha his line of acion could be extended particularly through an attempt to exchange information relevant to the short-term market *outlook for* the commodity.

On the other hand, there is the possibility of negotiating an international tungsten agreement which would *oblige consumers* and producers o adjust their market strategy so as to keep fluctuations in tungsten prices within internationally agreed *limits*.

Although the two approaches are not "necessarily mutually exclusive," according to the Unctad secretariate, the issue now facing the committee is *whether there is sufficient interest* in concrete stabilisation arrangements to justify the planning of a negoiating conference at an agreed date.

The question of "remedial measures" for tungsten has been on the table since 1963. If there are now to be negotiations on a stabilisation arrangement it *would have* to be decided at a reasonably early stage whether this should be in the form of a legally binding international agreement or simply an informal *arrangement* between governments along the lines of those covering trade in sisal and henequen and jute and similar fibres.

Britain has provided the committee with an example of an "advisory scheme" under which an international "management body" made up of representa*tives of* producing and consuming countries, would recommend minimum and maximum prices and could make recommendations with regard to stocks and *restrictions of production* and trade.

Such a voluntary arrangement would be without economic teeth and it is questionable, whether *it would really* provide an efficient regulator for the market.

Tungsten differs from tin and other commodities in the wide variety of forms in which it is traded and the absence of a standard product.

If a fully fledged international agreement is envisaged, the experts agree that it would be very difficult to have a single international buffer stock with all the different kinds of ores and concentrates and upgraded products included. Instead it would be advisable to co-ordinate national stocks.

The absence of a standard product would not seem to cause difficulties if the intention is to *restrict* or guarantee levels of exports or imports. Quantities of different materials could be aggregated in terms of Tungsten trioxide content.

Another potential problem stems from the need for an acceptable price indicator under an international agreement. Tungsten containing minerals are not traded on any commodity exchange and the main published price in the London Metal Bulletin is on the basis of confidential information from private sources.

Obligation

The working group has tackled this question before and recommended that the base product to be used as a price reference point, should be a hypothetical tungsten concentrate without impurities and having a 65 per cent. tungsten trioxide content.

In the opinion of the Unctad secretariat, a tungsten stabilisation arrangement would include an obligation on the part of consumer and producer countries to trade within a given price range, and not to trade outside the agred minimum and maximum prices.

This system would be supported by an obligatory reporting procedure on all trading within a specified range above the minimum price and below the maximum price.

Minimum stocks would be held by the exporting countries and financed out of a common fund, and the tungsten council would have the power to order reductions in such stocks when prices rose to near the maximum of the agreed range. It could also impose restrictions on exports and imports when the price dipped towards the minimum permissible level.

Japanese meat quota upsets Australia

BY OUR OWN CORRESPONDENT

CANBERRA, Nov. 15.

AUSTRALIA HAS angrily rejected proposed Japanese meat import quotas for the first half of next year as being totally in *conflict* with the spirit of the new basic treaty of friendship and co-operation between the two countries.

Mr. Yoshio Okawara, the Japanese Ambassador in Canberra, formally notified the Australian Government to-day of Japan's intention to apply a quota of 20,000 tonnes for the period January to June next year instead of 45,000 tonnes *covering the present half-year.*

The Ambassador was later asked to confer with the Prime Minister, Mr. Malcolm Fraser, Mr. Andrew Peacock, the Foreign Minister, and Mr. Ian Sinclair, the Minster for Primary Industry.

They asked him to express to his Government Australia's "deep concern" at the proposed quota reduction and request its imme*diate reconsideration*

According to an official statement afterwards, the Australian Ministers "pressed in the strongest possible terms the grave significance to Australian producers of any substantial reduction in the Japanese beef

[COM]MODITY MARKET REPORTS AND PRICES

[M]ETALS

[illegible]

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	363-4	-4.25	365-.5	-2.25
3 months	381-.5	-4.75	382.5-3	-2.5
S'ment	364	-4	—	—
Prm. West	—	—	*57	—

Morning: Cash £363.5, Feb. £382, three months £383, 82, 81, 81.5, 81. Kerb: Three months £382. Afternoon: Cash £364.5, 65, three months £380.5, 81, 82.5, 83. Kerb: Three months £383.5.

* Cents per pound. † On previous unofficial close. ‡ SM per picul.

SILVER

Silver was fixed 12.45p an ounce lower for spot delivery in the London bullion market yesterday, at 265.8p. U.S. cent equivalents of the fixing levels were: Spot 420.6c, down 20.4c; three-month 442.3c, down 19.2c; six-month 447.1c, down 21.8c; and 12-month 480.3c, down 21.8c. *The metal opened at 266-267p (437-439c)* and closed at 265.7-266.7p (436½-438½c) after a very active day.

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	265.8p	-12.4	266.95p	-9.4
3 months	276.5p	-12.2	277.55p	-9.5
6 months	285.3p	-14.7	—	—
7 months	—	—	292p	-10
12 months	304.8p	-14.5	—	—

LME—Turnover 206 (385) lots of 10,000 ozs. Morning: Cash 266.3, mid-Feb. £277.5; three months £278.0, 7.8, 7.6, 7.7, 8.0, 6.5, 6.0, 6.2, 6.3, 6.7, 6.5. Kerbs: Three months 278.0, 5.8, 6.0. Afternoon: Three months 278.0, 6.3, 6.1, 6.0, 7.5, 7.3, 7.4, 7.5, 7.6. Kerbs: Three months 277.8, 6.8, 6.5, 6.7, 6.5, 6.3, 6.6.

COCOA

After a steady opening the market moved ahead to record new highs before easing at the close in the face of belated later afternoon selling pressure, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 6 Cont'ct			
December	2105.0-05.0	......	2140.0-2105.0
March	2028.0-27.8	+3.0	2059.0-21.0
[illegible]	[illegible]	[illegible]	[illegible]

Sales: [illegible] lots of 10 tonnes.

[illegible]

COFFEE

The market decline was a reaction to New York's limit-down movement which prompted some stop-loss selling in a rather nervous market. The terminal tended lower for much of the afternoon but closed at, or just above, the day's lowest. Robustas closed barely steady, £15 to £5 down on Monday's close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
November	2270-280	-15.0	2315-270
January	2312-313	-17.5	2348-308
March	2328-330	-18.0	2358-325
May	2338-340	-18.0	2370-335
July	2340-345	-19.5	2372-342
September	2345-353	-7.0	2376-348
November	2340-355	-17.5	2370-350

Sales: 2,084 (4,947) lots of 10 tonnes.

ICO indicator prices for Nov. 15 (U.S. cents per pound). Colombian Mild Arabicas 186.25 (183.50). Unwashed Arabicas 185.00 (181.00). Other mild Arabicas 184.00 (182.17). Robustas 177.50 (172.25). Daily average: 180.75 (177.21).

RUBBER

UNCHANGED opening on the London physical market. Fair interest throughout the day, closing quiet. Lewis and Peat report a Malaysian godown price of 211 (same) cents a kilo (buyer, December).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Dec.	66.45-66.90	66.45-66.90	67.00
Jan.	66.75-67.20	66.75-67.20	—
Jan-M'r	67.55-67.50	66.75-67.80	67.55-67.20
Apr-Jne	70.20-70.30	69.65-69.75	70.55-69.75
Jly-Sept	72.55-72.70	72.00-72.15	72.75-72.20
Oct.-Dec	75.05-75.25	74.50-74.35	75.15-74.80
Jan-M'r	77.00-77.50	76.85-77.50	—
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

GRAINS

THE BALTIC—[illegible]

JUTE

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

VEGETABLE OILS

[MAR]KET—The tone was quietly steady and the market closed at about Monday's levels after an *all round £10 discount* at opening. This completely reflected the Rotterdam physical market which opened weaker but after light trading ended near Monday's values, reports Faure Fairclough. Closing prices: Dec. 290-296, Feb. 291-285, April 292-287½, June 292-290, August 295-291, Oct. 296-296, Dec. 296-292. Sales: 5 lots.

COTTON

COTTON—Liverpool. Spot and shipment sales amounted to 256 tonnes, bringing the total for the week to 619 tonnes, reports F. W. Tattersall. A fair demand came forward without users making extensive purchases. Most interest was again displayed in African and Latin-American growths.

★

GRIMSBY FISH—Supply moderate and demand good. Prices per stone at ship's side (unprocessed): Shelf cod £3.20-£4.20, codlings £3.50-£3.50; large haddock £3.40-£3.90, medium haddock £2.80-£3.40, small haddock £1.80-£2.80; large plaice £4.00, medium plaice £3.80-£4.10, best small plaice £3.00-£3.60; skinned dogfish (medium) £3.50, (large) £5.50; lemon soles £7.00; rock fish £1.80-£2.30; reds £1.70-£1.90; saithe £1.80-£2.00.

★

COPRA—Philippines (per tonne): Nov.-Dec. $350 resellers cif North European ports.

Higher rubber production

KUALA LUMPUR, Nov. 16.

THE ASSOCIATION of Natural Rubber Producing Countries (ANRPC) called on member states to accelerate their natural rubber production.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 16 1976	+ or —	Month ago
Metals			
Aluminium	£579	......	£579
Free Market (cis)	[illegible]	+5.0	$850-870
[illegible]	[illegible]	[illegible]	[illegible]
Futures Jan.	£[illegible]612.5	-17.5	2,817.5
Cotton 'A' Index	86.55	-0.55	86.55
Jute LJABWC(d)	[illegible]	[illegible]	[illegible]
Rubber kilo	63.5p	+1.0	56
Sisal EA3L (m)	[illegible]	......	[illegible]
Sugar (Raw)	£120	-2.0	£125
Wooltops 64s. kilo	[illegible]12p	......	[illegible]14
Cloves Madagascar	[illegible]	...	[illegible]
Pepper White ton	[illegible]	......	[illegible]1,495
Black ton	[illegible]	-50.0	[illegible]1,265

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. *a* Seller's quotation. *b* U.K. and Commonwealth refined. *c* Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. *d* Bangladesh white "C." *h* Jan.-March. *k* Oct.-Dec. *r* Sept. *m* Metric tons.

FINANCIAL TIMES

Nov. 16	Nov. 12	Month ago	Year ago
248.71	249.40	242.27	169.70

(Base: July 1, 1952=100)

REUTER'S

Nov. 16	Nov 15	Month ago	Year ago
1548.7	1556.9	1522.2	1130.4

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Nov. 15	Nov. 12	Month ago	Year ago
Spot	357.27	358.84	345.96	287.12
Futures	357.19	358.22	347.72	277.22

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov 15	Nov 12	Month ago	Year ago
Sple Comm'ty	822.6	821.3	807.7	740.3

(December 31, 1931=100)

★

LONDON PALM OIL TERMINAL—Close: Dec. 288.00-290.00, Feb. 285.00-291.00, April 287.50-292.00, June 280.00-293.00, August 291.00-295.00, Oct. 290.00-298.00, Dec. 292.00-298.00. Sales, 5 lots.

U.S. Markets

Silver and grains fall, copper up

NEW YORK, Nov. 16.

THE COPPER market closed a little better after selling off the highs on trade selling. Silver closed lower on trade selling touching Commission House stops. Grains closed lower due to weakness in oil, although wheat was a little better on local short-covering. Sugar closed unchanged on trade selling, Bache comments.

Cocoa—Ghana spot 163 (162 nom), Bahia spot 159 (158 nom.) Dec. 149.75 (148.90), March 144.25 (143.00), May 139.65, July 133.00, Sept. 127.70 nom., Dec. 114.5 nom., March 109.25 nom. Sales: 2,249.

Coffee—"C" contract: Dec. 184.00 (185.50), March 184.30-184.45 (183.55), May 182.90, July 182.80-182.70, Sept. 181.50-182.00, Dec. 178.60-178.10, March nil. Sales: 884.

Copper—Nov. 58.30 (59.10), Dec. 59.50 (59.30), Jan. 59.90, March 60.90, May 62.00, July 63.00, Sept. 63.80, Dec. 64.80. Sales: 3,210.

Cotton—No. 2: Dec. 79.04 asked (81.04), March 79.78 (81.76), May 80.81 asked, July 78.05 asked, Oct. 70.40-70.55, Dec. 66.78, March 66.75-67.30. Sales: 6,250.

†Gold—Nov. 135.50 (136.50), Dec. 135.9 (136.90), Jan. 136.30, Feb. 136.80, Apr. 137.80, June 138.80, Aug. 140.00, Oct. 141.20, Dec. 142.40, Feb. 143.60. Sales: 3,869.

†Lard—Chicago loose 19.75 (same). New York prime steam 21.25 asked (21.25 traded).

Greasewool—Spot 192.0 nom. (same), Dec. 183.0-191.0 (183.0), March 186.0-192.0 (186.0), May unquoted.

††Maize—Dec. 232½-232 (233½), March 239½-240½ (241½), May 244½-244¼, July 247½-247¾, Sept. 247¾, Dec. 244½-244¾.

‡Platinum—Jan. 155.10 (160.30), April 157.00 (162.50), July 159.50, Oct. 161.60, Jan. 169.00, April 171.10. Sales: nil.

‡‡Silver—Spot 452.60 (447.50), Nov. 437.60 (452.00), Dec. 436.00 (453.00), Jan. 438.90, March 443.80, May 448.00, July 452.80, Sept. 457.20, Dec. 465.00, Jan. 467.50, March 472.80. Sales: 9,373.

*Soyabeans—Nov. 629 (649½), Jan. 633-632 (653), March 635-637, May 631-629, July 622-623, Aug. 615½-615, Sept. 578, Nov. 563-565.

Soyabean Oil—Dec. 21.20 asked (22.30), Jan. 21.32 asked (22.32), March 21.51 asked, May 21.53, July 21.53 asked, Aug. 21.05, Sept. 20.27, Oct. 19.82 asked, Dec. 19.70 asked.

bSoyabean Meal—Dec. 175.60-175.80 (179.10), Jan. 178.00-178.50 (180.80), March 180.00-179.50, May 179.00-180.00, July 178.00-179.02, Aug. 174.50, Sept. 169.10-169.00, Oct. 158.50-159.00, Dec. 158.00.

Sugar—No. 11 spot 7.90 (8.05), Jan. 7.90-8.20 (7.95), March 8.58-8.60 (8.59), May 8.80-8.79, July 8.93-8.91, Sept. 9.00, Oct. 9.00, Jan. unquoted, March 9.35-9.22. Sales: 2,247.

Tin—374.00-379.50 asked (373.00-375.00 asked).

**Wheat—Dec. 261-262 (257½), March 270-271 (265½), May 273-272½, July 274, Sept. 277½, Dec. 286.

WINNIPEG, Nov. 15. ††Rye—Nov. 211 bid (213½ bid), Dec. 213½ bid (216-217), May 88.60 asked, July 90.30 asked.

cOats—Dec. 110½ (112½), May 73 asked (73 asked), July 75 asked.

§Barley—Dec. 175 (177½ bid), May 81.60 asked (82.50 bid), July 83.60 asked.

dFlaxseed—Nov. 667 bid (690½ bid), Dec. 667½ bid (683 bid), May 278.50, July 284.50 asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 346 (342½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ♦ $'s per troy ounce—100-ounce lots. † Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. *h* New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. *c* Cents per 32-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. *d* Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Quiet and uneventful day's trading in stock markets

Index down 1.6 at 310.2—Reaction in Gold shares

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets failed to consolidate on Monday's further modest rally yesterday. The Prime Minister's speech at the Lord Mayor's Banquet which insisted that absolute priority would be given to the country's industrial needs prompted a slight mark-up in leading equities at the start, but failed to tempt buyers. Prices consequently drifted lower on scattered professional offerings before rallying to close with small falls on balance.

Down 6.6 at its lowest of the day at 1 p.m., the F.T. 30-share index picked up to close a net 1.6 off at 310.2. The interim statement from Courtaulds, up 3 at 85p, *after 86p, on bear covering,* had little impact on sentiment, the outcome of the crucial IMF loan talks being the major factor behind the lack of genuine investment activity. British Funds put on a lacklustre performance after the previous day's useful improvement. Long-dated issues closed with small mixed movements, while tight money conditions left short-dated stocks fractionally lower. The Government Securities index eased 0.01 to 57.92 after recording a rise of 0.43 over the two previous business days.

Company trading statements provided the main source of interest in secondary issues. Overall, the trend was mixed, but falls had the edge over rises in F.T.-quoted Industrials and the F.T.-Actuaries All-Share Index gave up 0.6 per cent. to 132.33.

The recent good recovery movement in Gold mining shares was reversed yesterday, prices reacting in sympathy with a fall *in the price of bullion.* The Gold mines index lost 10.4 to 140.6.

Gilts mixed

Gilt-edged registered disappointment *in the absence of any fresh* demand for the "tap" Treasury 14 per cent., 1982, stock, the force of which the previous day had caused the Government broker to twice raise his selling price, by moving indecisively and narrowly throughout the day. Closing changes seldom exceeded ⅛ in either direction with business naturally restricted at the shorter end of the market by a tightness of money which partly resulted from Monday's interest in the "tap" stock.

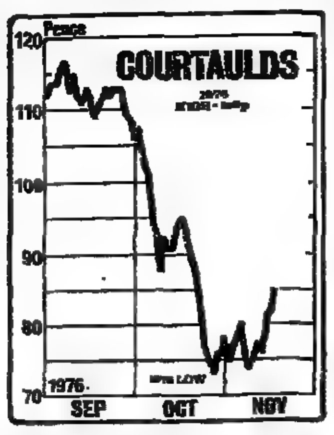
The yields shown in British Funds in last Saturday's issue, and repeated in Monday's paper, were in error. The yields published on those days were a *repeat of the information shown* in our issue of Friday, November 12.

Widespread gains of $\frac{1}{16}$ to ⅛ were recorded in the Funds on Friday, and the closing prices published on Monday and *Saturday were correct.* The yields should have been correspondingly reduced.

Encouraged still by the prospect of the Geneva conference achieving a peace formula, Southern Rhodesian bond made further headway extending to 4 points; the 6 per cent., 1978-81, issue rose that much to £60.

A small arbitrage business lifted the investment currency premium from a lower early rate of 119 per cent. to a close of 120½ per cent., up ¼ on the day. Yesterday's SE conversion factor was 0.7182 (0.7232).

Interest in Insurances yesterday centred almost entirely around the market debut of *Willis Faber and Dumas;* dealings got away to a fairly brisk start and after opening at a slightly higher than expected level of 195p the 25p shares touched 197p but drifted back to close at 190p, after 188p. The 7 per cent. Cumulative *Preference shares of £1* were introduced on a basis of 75p.



Interest spilt over into other Broker issues and C. E. Heath rose 11 to 401p with sentiment *further helped by comment on* Monday's first-half figures. Alexander Howden and Hogg Robinson improved 5 and 4 respectively to the common level of 128p, while Sedgwick Forbes hardened 2 more to 230p for a two-day advance of 14. Among quieter Composites, "Royals" closed 2 better at 244p, after 240p, on the good 9-month profits performance.

Narrow mixed price movements were the order of the day in Banks after a small trade. Barclays eased 2 to 226p but Lloyds and Midland were both a penny harder at 186p and 236p respectively. Guinness Peat were supported at 137p, up 5, in Merchant Banks where Schroders rose 15 to 255p in a thin market. Hambros, however, lost the turn at 114p; the interim results are due next Tuesday.

Buildings closed narrowly mixed. BAT Group eased a penny to 24p on the interim figures, while Sheffabear Price reacted similarly to 19p on further consideration of the interim statement. Redland, with interim figures to-morrow, also finished a penny off, at 70p. Small buying in thin markets left Tilbury Contracting 6 better at 176p and G. W. Sparrow 7 higher at 117.

Up to 309p initially, ICI reacted to 301p before closing a penny cheaper on the day at 305p.

Electricals active

Leading Electricals attracted a good turnover and closed modestly easier with the exception of EMI which finished 4 higher at 210p. Reyrolle Parsons shaded 3½ to 102½p, while Plessey, 50p, and GEC, 138p, lost 2 and 1 respectively. Philips' Lamp were volatile, falling to 915p on interim figures in line with market expectations and rallying to close 4 easier on balance at 922p. Muirhead finished 1½ off at 87p despite the disclosure of increased earnings, while Pelbow, a firm market of late on Press comment, reacted 9 to 120p on small profit-taking. Thorn Electrical "A" contrasted with a gain of 4 to 166p, while similar advances were seen in Lec Refrigeration, 47p, United Scientific, 111p, and Pifco "A", 42p.

F. W. Woolworth closed a shade easier at 44½p in front of to-day's interim figures and Mail Orders drifted gently lower.

Hawker were unsettled by possible political repercussions on its Canadian interests and fell to 384p before settling a net 6 down at 392p. Tube Investments rescinded 392p. Tube Investments rescinded most of Monday's gain of 5 at 278p, but GKN closed unaltered on the day at 234p, after 228p. Movements in secondary issues were often small, but Anglo-Swiss were raised 6 to 24p. Hall Engineering picked up 3 to 73p and WGI gained 2 further to 85p, but Braithwaite lost 3 to 112p. GEI International, at 46p, were unaffected by the good interim results and statement. Brooke Tool rallied 1¼ to 10½p; the price published in recent editions was incorrect.

Whatmans Reeve higher

With the exception of Turner and Newall which hardened a penny to 132p, the Miscellaneous Industrial leaders drifted gently lower in thin trading, thus giving back most of Monday's gains. Ahead of to-morrow's interim results, Beecham eased a penny to 332p, after 329p, and Unilever, with half-year figures due to-day, cheapened 2 to 408p, after 402p. Up 15 on Monday in response to the much-than-expected first-half profits, Metal Box encountered profit-taking and touched 230p before closing 3 down on the day at 233p. Pilkington Bros., up 18 on Monday on buying ahead half-year figures, also turned lower to touch 258p on profit-taking but rallied late to close unaltered at 263p. Among second-liners, Whatman Reeve Angel remained popular as further buying in a thin market prompted a rise of 12 to a 1976 peak of 170p, which represents a gain of 58 over the last 12 trading days. Easier at 22p in front of the half-year figures, London and Nrthern improved on them to finish a shade better at 23½p.

Motors and Distributors closed with occasional small falls. Armstrong Equipment shaded a penny to 34½p, while Dunlop, 71p, and Flight Refuelling, 29p, lost 2 apiece. Godfrey Davis gave up a penny to 29p following the half-yearly report, while Dutton-Forshaw, 24p, and Healys, 74½p, lost 1 and 1½ respectively.

Associated Newspapers marginally improved to 106p despite a lack of follow-through to Monday's speculative demand which had brought a rise of 5; the interim figures are due next Tuesday. Among Publishers, Morgan Grampian, at 103p, gave up 5 of the previous day's gain of 8 resulting from renewed speculative enthusiasm. Paper/Printings contained contrasting features in Oxley Printing, up 3½ at 11p following the forecast of a brighter second-half and a return to profitability. In a thin market, Chapman (Balham) were lowered 8 to 75p.

BP at year's peak

Underpinned still by brokers' recommendations, British Petroleum extended Monday's rise of 16 and closed 6 up at a peak for the year of 696p, after having eased initially to 686p. Shell, meanwhile, suffered through the appearance of some sizeable selling but this was finally absorbed and the price reverted from 398p to the overnight level of 406p; Royal Dutch shed ¼ to £38. Ultramar, which has third-quarter figures due to-day, were upset by the Quebec election result and lost 4 to 98p. In the Overseas section, Woodside-Burmah regained 3 to 109p, but Weeks National Resources were that much softer at 62p.

Properties generally failed to further the recent advance. The opening tendency was firm enough, but business was light and and the market became content to follow the trend elsewhere in equities. Land Securities, as a result, fluctuated between 123p and 119p prior to a close of 1 easier on balance at 121p, while MEPC slipper a shade before reverting to the overnight level of 38p. British Land picked up 1 to 28p and Estates Property were noticeable at 81p, up 3. Stock Conversion, 6 higher on Monday, remained firm at 131p, after 134p, but Great Portland reacted from a higher initial price of 188p to end 6 down on the day at 180p; the interim figures matched expectations. Elsewhere, Avenue Close gained 3 to 43p, but Haslemere Estates shed that much to 138p, after 143p, and Peachey gave up 2 at 44p. Midhurst White were marginally harder at 12½p following the preliminary statement.

Harrisons and Crosfield continued dull in Overseas Traders, losing 12 to 400p for a two-day loss of 25.

Little of interest took place in Investment Trusts which closed mixed. Colonial Securities Deferred added 8 at 163p and Robeco sub-shares, 582p, and Rolinco sub-shares, 451p, improved 10 and 5 respectively but Triplevest Capital shed 4 to 80p.

Second-line Shippings, which made a good showing on Monday on yield considerations, tinded to ease yesterday. Following a fairly good turnover, small losses of between 1 to 3 were seen in Walter Runciman, 96p, Sheaf Steam, 112p, and Common Bros., 82p. Furness Withy, on the other hand, added 3 at 158p.

Easier at 78p in front of the interim results, Courtaulds picked up on bear closing following the announcement and ended the day 3 higher on balance at 85p, after 86p. Elsewhere in Textiles, Stoddard issues did well, the Ordinary rising 3 to 31p and the "A" 4 to 28p on the company's capital reconstruction proposals. Towles "A" were wanted at 19p, up 3, and, in front of to-day's half-year figures, Hicking Pentecost improved a penny to 61p. Further demand in a thin market prompted a gain of 10 to 270p in John Haggas.

Tobacco majors failed to extend Monday's gains even though they continued to trade in a fairly lively manner. Profit-taking clipped 5 from both BATs Industries, 260p, and the Deferred, 213p, while Imps closed a shade easier at 56p. Rothmans International, however, edged forward ⅛ to 28p.

Golds retreat

The recent upsurge in the bullion price came to an abrupt halt owing to lower overseas indications which prompted profit-taking here and caused a similiar reaction in the share prices of the metal's producers. Although selling was by no means heavy, falls in the heavyweight stocks ranged to £1½ as in Western Holdings at £15¼ while West Driefontein dropped £1¼ to £20¼. Also retreating around a point were Randfontein, £22¾, Hartebeest, £10⅝ and Free State Geduld, £11¼. The Gold Mines index consequently lost 10.4 to 140.6, while the metal closed $5.50 lower at $133.75.

Among the lower-priced issues, the worst affected were Free State Saaiplaas, which dropped 20 to 90p, Elsburg, 12 off at 108p and Marievale, down 8 at 90p.

Financials mirrored Golds. "Amgold" and GFSA were both ⅜ lower at £16 and £12½ respectively and General Mining closed a half-point down at £14½.

The London-based Financ Houses bore the addition burden of the weaker U.K. I dustrial market. Gold Fields wei 6 cheaper at 151p and Rio Tint Zinc fell 3 to 158p. Charter stag a recovery in late dealings fc lowing the half-year results; t shares closed 2 easier on bala at 134p, after 130p.

In otherwise neglected Copp RCM *fell 5 to 135p on consid* tion of the quarterly results, prospects of no dividends in near future. Rhodesians ground with Coronatior 10 at 66p and Falcon 3 o at

Australians were quietly fi Pancontinental rose 100 to in line with overnight markets.

Elsewhere, the victory b separatist Parti Quebecois Quebec provincial ele caused Noranda Mines to lo to £27.

Symposium o new accountin

THE EFFECTS on the acco ancy profession of the expos draft on current cost account which is to be published November 30, will be defen and explained by some of accountants responsible for drafting at an inflation accou ing conference in London, December 15 and 16.

FINANCIAL TIMES STOCK INDICES

	Nov. 16	Nov. 15	Nov. 12	Nov. 11	Nov. 10	Nov. 9	A Year ago
Government Secs	57.92	57.93	57.72	57.50	57.76	57.54	58.48
Fixed Interest	57.52	57.37	57.38	57.33	57.36	57.08	58.98
Industrial Ordinary	310.2	311.8	308.9	299.4	302.7	295.5	376.6
Gold Mines	140.6	151.0	143.8	158.3	140.4	129.6	227.4
Ord. Div. Yield	7.04	7.00	7.06	7.27	7.20	7.36	5.65
Earnings Y'ld % (full)(a)	21.95	21.83	22.04	22.69	22.45	23.04	15.68
P/E Ratio (net) (b)	6.69	6.70	6.64	6.46	6.53	6.36	9.29
Dealings marked	4,808	4,746	4,462	4,760	4,860	4,964	9,645
Equity turnover £m	—	56.98	50.67	49.21	54.07	48.66	92.46
Equity bargains total	—	11,580	11,183	10,477	10,822	11,100	21,624

10 a.m. 312.0. 11 a.m. 307.5. Noon 306.4. 1 p.m. 305.2
2 p.m. 306.0. 3 p.m. 309.1.
Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=6.62.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.41 (6/1)	56.80 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.46 (14/1)	55.37 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	549.2 (12/5/72)	49.4 (26/6/40)
Gold Mines	446.9 (2/1)	78.0 (2/8)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 16	Nov. 15
Daily—		
Gilt-Edged	204.5	211.0
Industrials	144.7	140.7
Speculative	43.6	57.2
Totals	111.7	108.0
5-day Av'r'ge.		
Gilt-Edged	206.0	211.8
Industrials	142.7	143.5
Speculative	48.4	48.6
Totals	108.1	108.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Tuesday, November 16, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday Nov. 15 Index No.	Friday Nov. 12 Index No.	Thur. Nov. 11 Index No.	Wed. Nov. 10 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	114.68	−1.0	23.41	8.20	5.58	5.56	116.01	113.90	112.20	114.51	145.25	[illegible]	[illegible]	[illegible]	50.71 (13/12/74)
2	Building Materials (30)	98.60	−1.0	23.14	8.77	5.51	5.50	99.61	96.81	95.16	97.02	138.19	[illegible]	[illegible]	[illegible]	44.27 (11/12/74)
3	Contracting, Construction (22)	143.13	−1.7	31.28	7.62	4.93	4.93	145.63	141.37	141.05	141.40	265.54	[illegible]	[illegible]	[illegible]	71.48 (2/12/74)
4	Electricals (16)	220.11	−1.6	20.17	6.15	7.17	7.38	223.62	217.88	211.56	218.98	254.66	[illegible]	[illegible]	[illegible]	84.71 (25/6/62)
5	Engineering (Heavy) (13)	144.82	−0.9	32.06	8.62	4.57	4.50	146.10	145.19	145.11	146.47	165.59	[illegible]	[illegible]	[illegible]	64.39 (2/1/75)
6	Engineering (General) (65)	107.64	−0.6	24.03	8.68	6.14	6.13	108.25	107.15	106.50	108.35	122.89	[illegible]	[illegible]	[illegible]	45.43 (6/1/75)
7	Machine and Other Tools (9)	50.09	−0.5	19.51	8.87	7.76	7.74	50.34	49.58	49.47	49.99	49.28	[illegible]	[illegible]	[illegible]	19.96 (13/12/74)
8	Miscellaneous (23)	100.25	−0.2	20.97	9.05	7.05	6.96	100.46	100.33	99.51	99.76	119.52	[illegible]	[illegible]	[illegible]	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	99.30	+0.2	24.60	7.12	6.08	6.08	99.14	97.62	96.65	97.61	117.43	[illegible]	[illegible]	[illegible]	38.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	106.44	+1.0	22.80	5.51	6.52	6.51	105.43	102.94	100.57	102.85	129.69	[illegible]	[illegible]	[illegible]	42.65 (14/12/74)
11	Household Goods (13)	109.54	+1.1	27.98	11.01	5.45	5.45	108.36	106.30	107.66	108.71	166.72	[illegible]	[illegible]	[illegible]	63.92 (17/12/74)
12	Motors and Distributors (25)	67.98	−1.1	26.05	8.18	5.75	5.75	68.77	68.18	66.75	68.16	70.25	[illegible]	[illegible]	[illegible]	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	118.24	−1.0	19.11	8.24	7.96	7.91	119.58	117.08	114.73	116.59	152.28	[illegible]	[illegible]	[illegible]	61.41 (13/12/74)
14	Breweries (15)	119.90	−1.6	20.29	9.57	7.39	7.39	121.80	120.61	120.08	121.75	159.33	[illegible]	[illegible]	[illegible]	69.47 (13/12/74)
15	Wines and Spirits (7)	128.46	−1.7	18.46	8.82	8.32	8.32	130.65	129.49	127.82	130.19	156.96	[illegible]	[illegible]	[illegible]	78.88 (13/12/74)
16	Entertainment, Catering (14)	146.03	−0.1	18.18	9.19	8.39	8.31	146.14	143.87	140.07	145.55	182.86	[illegible]	[illegible]	[illegible]	54.83 (6/1/75)
17	Food Manufacturing (23)	136.94	−0.9	20.80	6.76	7.50	7.25	138.22	135.78	132.65	136.50	166.60	[illegible]	[illegible]	[illegible]	59.67 (11/12/74)
18	Food Retailing (16)	111.59	−0.3	17.50	7.06	8.48	8.48	111.90	109.77	107.52	109.46	156.33	[illegible]	[illegible]	[illegible]	54.25 (11/12/74)
19	Newspapers, Publishing (16)	176.42	−0.2	14.19	6.05	10.67	10.67	176.85	175.41	173.57	174.87	189.67	[illegible]	[illegible]	[illegible]	55.08 (6/1/75)
20	Packaging and Paper (12)	84.35	−0.8	18.22	9.55	8.43	8.43	85.01	82.19	81.96	82.10	100.75	[illegible]	[illegible]	[illegible]	43.46 (6/1/75)
21	Stores (34)	92.47	−1.2	16.62	7.73	9.27	9.24	93.62	91.91	89.66	91.59	129.57	[illegible]	[illegible]	[illegible]	52.63 (6/1/75)
22	Textiles (24)	108.85	+0.4	17.34	10.79	8.74	7.76	108.43	107.46	106.20	105.04	157.72	[illegible]	[illegible]	[illegible]	62.66 (11/12/74)
23	Tobaccos (3)	188.32	−1.5	25.27	9.17	5.39	5.39	191.15	184.05	179.55	185.96	218.96	[illegible]	[illegible]	[illegible]	94.34 (15/6/62)
24	Toys and Games (6)	70.31	−0.7	25.55	9.02	5.70	5.57	69.82	67.96	67.98	68.12	63.68	[illegible]	[illegible]	[illegible]	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	181.59	−0.8	17.39	6.34	7.84	7.84	183.11	176.92	175.16	174.17	192.94	[illegible]	[illegible]	[illegible]	[illegible]
26	Office Equipment (9)	64.41	−1.7	18.76	8.20	7.79	7.79	65.52	64.22	62.46	64.07	94.79	[illegible]	[illegible]	[illegible]	[illegible]
27	Shipping (12)	356.10	−0.8	15.12	7.85	9.43	8.55	358.91	356.21	355.14	356.56	404.16	[illegible]	[illegible]	[illegible]	[illegible]
28	Miscellaneous (48)	124.04	−0.9	19.02	9.48	7.91	7.90	125.20	123.74	121.96	121.01	156.56	[illegible]	[illegible]	[illegible]	[illegible]
29	INDUSTRIAL GROUP (495)	122.62	−0.9	20.03	7.94	7.37	7.34	123.71	121.42	119.17	120.74	151.55	[illegible]	[illegible]	[illegible]	[illegible]
30	OILS (4)	376.23	−0.5	11.52	4.66	10.24	9.42	374.53	368.15	362.96	359.55	338.18	[illegible]	[illegible]	[illegible]	[illegible]
31	500 SHARE INDEX	142.81	−0.6	18.32	7.50	7.80	7.67	143.71	141.08	138.60	139.80	167.07	[illegible]	[illegible]	[illegible]	[illegible]
32	FINANCIAL GROUP (100)	101.87	−0.4	—	7.71	—	—	102.27	100.90	99.32	100.60	128.88	[illegible]	[illegible]	[illegible]	[illegible]
33	Banks (6)	131.33	−0.1	25.72	7.00	5.96	5.96	131.41	129.84	126.89	129.64	168.84	[illegible]	[illegible]	[illegible]	[illegible]
34	Discount Houses (10)	127.95	—	—	10.89	—	—	127.95	128.66	128.59	129.49	171.13	[illegible]	[illegible]	[illegible]	[illegible]
35	Hire Purchase (5)	66.36	−1.3	10.90	9.88	20.42	20.42	66.51	61.91	60.88	61.75	95.98	[illegible]	[illegible]	[illegible]	[illegible]
36	Insurance (Life) (10)	80.68	−0.6	—	9.36	—	—	81.15	81.37	80.22	81.78	129.51	[illegible]	[illegible]	[illegible]	[illegible]
37	Insurance (Composite) (7)	78.56	−0.7	—	9.41	—	—	79.12	78.60	77.06	76.89	111.73	[illegible]	[illegible]	[illegible]	[illegible]
38	Insurance Brokers (9)	216.53	+1.4	18.57	6.45	11.01	11.01	213.88	209.51	208.15	211.74	232.50	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (13)	51.16	+1.0	—	8.17	—	—	50.65	50.90	50.66	51.82	88.47	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	121.38	−2.1	5.08	4.55	35.69	33.68	123.94	119.57	114.91	116.17	127.79	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (6)	61.33	+1.0	21.91	13.57	6.94	6.94	60.75	61.14	60.56	59.92	78.84	[illegible]	[illegible]	[illegible]	[illegible]
42	Investment Trusts (50)	126.40	−0.1	4.18	6.08	24.71	24.71	126.48	124.73	123.94	124.28	177.97	[illegible]	[illegible]	[illegible]	[illegible]
43	ALL-SHARE INDEX (650)	132.33	−0.6	—	7.31	—	—	133.07	130.78	128.59	129.75	160.53	[illegible]	[illegible]	[illegible]	[illegible]
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	488.69	−0.4	9.64	5.76	15.08	13.97	490.66	490.22	487.41	486.35	410.08	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (9)	130.27	−0.1	32.57	9.44	4.07	3.93	130.37	130.16	127.06	126.23	116.48	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	155.47	−1.2	41.67	7.30	2.40	2.40	157.39	151.79	148.76	146.24	254.41	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	86.47	−1.1	10.80	5.59	10.17	10.08	87.46	85.73	84.77	84.90	130.17	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (9)	121.60	−0.4	11.61	9.13	13.25	13.08	122.28	124.09	126.36	126.04	126.64	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	197.75	−0.7	17.27	6.92	7.84	7.83	199.07	199.15	196.13	198.80	226.74	[illegible]	[illegible]	[illegible]	[illegible]

	FIXED INTEREST	Tuesday, Nov. 16 Index No.	Yield %	Monday Nov. 15	Friday Nov. 12	Thurs. Nov. 11	Wed. Nov. 10	Tuesday Nov. 9	Monday Nov. 8	Friday Nov. 5	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.19	15.19	15.46	15.27	15.27	15.38	15.37	15.12	14.75	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	44.00	14.68	44.03	43.73	43.84	43.86	43.62	43.42	44.21	46.56	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	44.16	16.61	43.61	44.06	44.04	44.04	44.01	44.07	44.07	46.02	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	42.60	16.29	43.07	43.63	43.56	43.49	43.41	43.45	44.79	45.02	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	59.30	15.22	59.12	59.06	58.90	58.32	57.87	57.67	58.59	65.07	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering (Heavy)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Engineering (General)	31/12/71	153.84	All Other	10/4/62	100.00
Wines and Spirits	16/1/70	114.76			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	123.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			
Food Retailing	29/12/67	114.13			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p. [illegible]

CONSTITUENT CHANGE: Hall Thermotank (Capital Goods Miscellaneous) has been replaced by Crown House (Engineering General).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Defd.	25p	20	213	−5	225	188
Willis Faber	25p	18	190	—	197	188
ICI	£1	17	305	−1	402	256
BP	£1	15	696	+6	696	557
Shell Transport	25p	13	406	—	462	352
Nat'l. Westminster	£1	9	200	—	272	168
Reed International	£1	9	182	−4	274	156
Distillers	50p	8	100	−1	158	95½
GEC	25p	8	138	−1	168	112
Hawker Siddeley	£1	8	392	−6	490	334
Burmah Oil	£1	7	31	−1	53	25
Cons. Gold Fields	25p	7	151	−6	220	113
Courtaulds	25p	7	85	+3	169	73
EMI	50p	7	210	+4	277	173
Fisons	£1	7	267	+2	417	237

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22

Calls were dealt in ICI, Lighting and Leisure, Grand Metropolitan Warrants, Ladbroke Warrants, Trafalgar House Warrants, Consolidated Gold Fields, Smith Bros., Courtaulds, Lonrho, National Westminster Bank Warrants and Slater Walker. Puts were done in Courtaulds, Dunlop, ICI, and Trafalgar House, while doubles were arranged in General Accident, ICI, Estate Property, and Courtaulds. A short-dated call was done in Courtaulds, while puts were done in Courtaulds and Unilever. Doubles were arranged in ICI and Courtaulds.

Industrials							
[illegible]							
Boots Drug	12	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
Bowaters	16	I.C.I.	20	Spillers	4	Burmah Oil	4½
B.A.T.	21	"Imps"	7	Tesco	4	Shell	27
British Leyland	6	I.C.L.	14	Thorn 'A'	22	Ultramar	14
BOC In.	8½	Invaresk	7	Trust Houses	9		
Brown (J.)	9	Legal & General	12	Tube Invest.	7	Mines	
Burton 'A'	6½	Ladbroke	11	Unilever	38	Charter Cons.	18
Cadburys	5	Lex Service	3½	Utd. Drapery	6	Chart'hll Fin.	4
Cavenham	10	Lloyds Bank	22	Vickers	15	Cons Gold	15
Courtaulds	11	"Lofs"	4	Williams Hud'n	4	Hampton Areas	12
Debenhams	8	London Brick	4½	Woolworths	6	Lonrho	19
Distillers	13	Lucas Inds.	20			Rio T. Zinc	18
Dunlop	7½	"Mams"	7	Property		Western M'ng.	7
Eagle Star	11	Marks&Sp'ncer	8	Brit. Land	8½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (5)

BRITISH FUNDS (1)
Treasury 3pc 1982
INDUSTRIALS (3)
Staffs. Potts. Whatman Reeve Ang
Sterling Inds.
OILS (1)
BP

NEW LOWS (13)

BANKS (1)
Minster Assets
BUILDINGS (1)
Leech (Wm.)
STORES (1)
Peters Stores
ENGINEERING (1)
Beaufort
INDUSTRIALS (3)
Kershaw (A.) Williams (J.)
F.M.A. (Hldgs.)
MOTORS (1)
Lotus Car
NEWSPAPERS (1)
Morgan-Grampian
PAPER (1)
Chapman (Balham)
OILS (2)
Ultramar Ultramar 7pc Cnv.
MINES (1)
Metals Explrtn.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	11	28	22
Corpns. Dom. and Foreign Bonds	9	3	69
Industrials	[illegible]	[illegible]	1,114
Financial and Prop.	[illegible]	85	325
Oils	[illegible]	6	25
Plantations	[illegible]	4	28
Mines	[illegible]	76	37
Recent Issues	[illegible]	3	25
Totals	[illegible]	536	1,625

Mining plans approved

DERBYSHIRE County Council has approved plans for open cast mining on a 250-acre agricultural and recreational site at Temple Normanton.

It is thought that almost 800,000 tons of coal can be mined over about six years. The area then will be restored to a recreational site and will include an 18-hole golfcourse.

MONEY MARKET

Extremely large help

Bank of England Minimum Lending Rate 15 per cent. (since October 7, 1976)

Day-to-day credit was in very short supply in the London money market yesterday and the authorities gave *extremely large* assistance by buying a large number of Treasury bills and local authority bills from the discount houses, and by lending a large amount, overnight to seven or eight houses, at Bank of England Minimum Lending Rate.

Banks carried forward run-down balances from Monday, repayment was made of official advances to the market, there was a net market take-up of Treasury bills, an increase in the note circulation, and settlement of the previous day's gilt-edged sales. On the other hand Government disbursements exceeded revenue payments to the Exchequer.

Discount houses paid around 15 per cent. for secured call loans in the early part and closing balances were taken at 14¾-15 per cent.

In the interbank market overnight loans opened at 14¾-15 per cent., and eased to 14½-14¾ per cent., before touching a high point of 15¼-15½ per cent., and closing at 15-15¼ per cent.

Short-term fixed period interest rates were *generally steady, but* very short periods were slightly firmer. Discount houses buying rates for three-month Treasury bills remained at 14$\frac{7}{16}$ per cent., indicating a possible cut in Bank of England Minimum Lending Rate *on Friday.*

Rates in the table below are nominal in some cases.

Nov. 16 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	[illegible]	—	—	—	—	15	[illegible]	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or 7 days notice	—	[illegible]	[illegible]	—	—	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	—	[illegible]	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

BASE LENDING RATES

Allied Irish Banks Ltd.	14 %
American Express Bank	14 %
Anglo-Portuguese Bank	14 %
Henry Ansbacher	14½%
Banco de Bilbao	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque du Rhone S.A.	14½%
Barclays Bank	14 %
Barnett Christie Ltd.	15 %
Bremar Holdings Ltd.	14 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14½%
Canada Permanent AFI	14 %
Capitol C & C Fin. Ltd.	14 %
Cayzer, Bowater Co. Ltd.	14 %
Cedar Holdings	12½%
■ Charterhouse Japhet	14 %
C. E. Coates	15 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Securities	14 %
Credit Lyonnais	14 %
G. R. Dawes	15 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First London Secs.	14 %
First Nat. Fin. Corp.	16 %
First Nat. Secs. Ltd.	16 %
■ Antony Gibbs	14 %
Goode Durrant Trust	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bank of Scot.	14 %
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London & European	14½%
London Mercantile	14 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster Accept'cs.	14 %
Royal Bk. Canada Trust	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Development Bk.	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11% up to £25,000 11½% and over £25,000 11¾%.
§ Demand deposits 12%.
‡ Call deposits over £1,000 11%.

CORAL INDEX
Close 305-310

INSURANCE BASE RATES

† Atlantic Assurance	12 %
Cannon Insurance	13 %

† Address shown under Insurance and Property Bond table.

Christmas mail

LAST RECOMMENDED posting dates for surface mails to reach all European countries and North Africa in time for Christmas are November 22 for parcels and packets and November 24 for greetings cards. Included in these dates is mail for Albania, Algeria, Bulgaria, Libya, Morocco, Tunisia and the USSR.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	50.4	53.6		6.72
Income Tst.	49.4	52.4		8.97
Int. Growth Fd.	52.8	56.0		4.12
Do. Accum.	52.8	56.0		4.12

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	24.8	26.5	+0.2	6.50
Do. Accum.	30.3	32.4	+0.2	6.50

REGIONAL MARKETS

...he share prices previously shown under regional headings is ...th quotations on London. Irish issues, most of which are not ...ondon, are shown separately and with prices as on the Irish...

			IRISH		
			Conv. 9% '80/82	£79¼	
Bissons Brew.	60xd		Alliance Gas	46	
I.O.M. Stm. £1	127		Arnott	190	
Holt (Jos.) 25p	182		Carroll (P.J.)	95	
Kleen-e-Ze	31		Clondalkin	38	
Lovell's Ship £1	135		Concrete Prods.	46	
N'thn. Goldsmith	21		Helton (Hldgs.)	20	
Pearce (C. H.)	85		Ins. News	35	
Peel Mills	11		Ins. Corp.	148¼	
RobbCaledon5p	58		Irish Distillers	40	
Sayers 12½p	15		Irish Ropes	79xd	
Sheffield Brick	73		Jacob	45½	
Sheff. Refrshmt.	130		Sunbeam	9	–1
Shiloh Spinn.	21xd		T.M.G.	66	
Sindall (Wm.)	49		Unidare	62	

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Int.	Red.
		"Shorts" (Lives up to Five Years)				
102$\frac{13}{16}$	99$\frac{1}{4}$	Treasury 10½pc 1976	99$\frac{7}{8}$		10.55	13.96
98$\frac{1}{2}$	95$\frac{1}{2}$	Treasury 6½pc 1976	97$\frac{1}{2}$	–$\frac{1}{16}$	5.35	13.43
97$\frac{1}{4}$	94$\frac{1}{2}$	Electric 3pc 74-77	97$\frac{1}{4}$		3.08	11.91
103$\frac{1}{2}$	97$\frac{1}{2}$	Treasury 11½pc 1977	98$\frac{1}{4}$		11.70	13.63
95$\frac{1}{2}$	91$\frac{1}{2}$	Treasury 3pc 1977	96	–$\frac{1}{8}$	3.19	9.39
95$\frac{1}{2}$	92$\frac{1}{4}$	Transport 4pc 72-77	94	–$\frac{1}{8}$	4.23	9.52
99$\frac{1}{2}$	90$\frac{1}{2}$	Treasury 9pc 1978	95	–$\frac{1}{8}$	9.45	12.96
102$\frac{1}{2}$	93$\frac{1}{8}$	Treasury 10pc 1978	95	–$\frac{1}{4}$	10.99	13.52
93	89$\frac{1}{2}$	Exch. 5pc 76-78	90$\frac{1}{2}$		5.53	10.93
103$\frac{3}{4}$	92$\frac{3}{8}$	Treasury 11pc 1978	94$\frac{1}{2}$	–$\frac{1}{4}$	12.15	14.29
99$\frac{1}{4}$	92$\frac{1}{2}$	Treas. 11½pc '79 'A'	96	–$\frac{1}{4}$	12.16	14.31
88$\frac{7}{8}$	82	Treasury 3pc 1979	82		3.63	10.09
89$\frac{1}{2}$	82$\frac{1}{4}$	Electric 4½pc 74-79	84	–$\frac{1}{4}$	5.06	10.37
100$\frac{1}{2}$	88$\frac{7}{8}$	Treasury 10½pc 1979	91	–$\frac{1}{4}$	11.51	14.24
88$\frac{1}{4}$	82$\frac{1}{4}$	Electric 3½pc 76-79	82		4.25	10.29
96$\frac{1}{2}$	84$\frac{1}{2}$	Treasury 9pc 1980	86$\frac{1}{2}$	–$\frac{1}{4}$	10.41	14.28
96$\frac{1}{2}$	84$\frac{1}{2}$	Treasury 9½pc 1980	85		10.93	14.43
86	79$\frac{1}{4}$	Treasury 3½pc 77-80	79	–$\frac{1}{4}$	4.42	10.67
89$\frac{1}{2}$	80	Funding 5½pc 78-80	81$\frac{1}{4}$		6.46	11.85
103$\frac{1}{2}$	83$\frac{1}{2}$	Treasury 11½pc 1981	90	–$\frac{1}{4}$	12.64	14.52
85	76$\frac{1}{4}$	Treasury 3½pc 1979-81	77	–$\frac{1}{4}$	4.54	10.28
95$\frac{1}{2}$	82$\frac{1}{4}$	Treasury 9½pc 1981	85	–$\frac{1}{4}$	11.42	14.36
		Five to Fifteen Years				
94$\frac{1}{2}$	79$\frac{3}{4}$	Treasury 8½pc 80-82	82$\frac{1}{2}$	–$\frac{1}{4}$	10.63	14.06
72$\frac{1}{4}$	59$\frac{1}{4}$	Treasury 3pc 1982	70$\frac{1}{4}$	–$\frac{1}{4}$	4.25	13.61
98$\frac{1}{4}$	96$\frac{1}{4}$	Treasury 14pc 1982	98	–$\frac{1}{4}$	14.24	14.46
107$\frac{1}{4}$	88$\frac{1}{2}$	Treasury 12pc 1983	91$\frac{1}{2}$	–$\frac{1}{4}$	13.35	14.49
81$\frac{1}{2}$	69$\frac{1}{2}$	Funding 5½pc 82-84	71$\frac{1}{2}$	....	7.68	11.87
87$\frac{1}{2}$	74$\frac{1}{2}$	Treasury 8½pc 84-86	77$\frac{1}{2}$	....	11.41	13.25
74$\frac{1}{2}$	60$\frac{1}{2}$	Funding 6½pc 85-87	62$\frac{1}{4}$	....	13.40	13.23
77$\frac{1}{2}$	65$\frac{1}{2}$	Treasury 7½pc 85-88	67	....	11.84	13.91
51$\frac{1}{4}$	44$\frac{1}{4}$	Transport 3pc 78-88	44$\frac{1}{2}$	–$\frac{1}{8}$	6.56	11.63
59$\frac{1}{4}$	42	Treasury 5pc '86-89	50$\frac{1}{2}$	–$\frac{1}{8}$	10.07	13.23
103$\frac{1}{2}$	87$\frac{1}{2}$	Treasury 13pc 1990	91$\frac{1}{2}$	–$\frac{1}{8}$	14.91	15.26
75$\frac{1}{2}$	61$\frac{1}{2}$	Treasury 8¼pc 87-90	62	....	13.07	14.56
60	47$\frac{1}{2}$	Funding 5¾pc 87-91	49$\frac{1}{2}$	–$\frac{1}{8}$	11.72	14.10

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 39¼% (based on $US1.6490 per £)

Conversion factor 0.7182 (0.7232)

CANADIANS

[illegible]

S.E. List Premium 39¼% (based on $1.6108 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا صدر الأصل

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	400	−45	Q75c	1.6	13.6
£14	440	Buffels R1	750	−50	Q125c	1.6	12.1
*140	70	Deelkraal R0.20	100	−6	—	—	—
760	125	Doornfontein R1	295	−20	Q55c	2.2	14.0
965	330	East Drie R1	670	−50	Q75c	1.7	8.1
280	122	Elandsrand Gld. 20c	170	−4	—	—	
190	44	Elsburg R1	103	−12	‡Q35.8c	1.0	‡
£16½	520	Hartebeest R1	£10⅝	−1	Q190c	1.3	12.9
695	260	Kloof Gold R1	490	−35	Q47c	1.5	6.9
760	140	Libanon R1	315	−25	Q80c	2.0	18.4
740	230	Southvaal 50c	400	−25	Q8c	1.3	1.4
245	92	Stilfontein 50c	150	−30	‡Q36c	2.2	‡
£20¾	700	Vaal Reefs 50c	£11½	−1	‡Q175c	2.1	‡
420	48	Venterspost R1	175	−5	Q25c	3.6	10.3
£35	£11¼	W. Drie R1	£20¾	−1¼	Q335c	1.5	12.0
315	68	Western Areas R1	178	−12	‡Q52c	1.4	‡
£15¼	450	Western Deep R2	850	−70	‡Q140c	1.6	‡
290	100	Zandpan R1	185	−7	Q31¼c	1.0	12.2

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	115	......	Q9c	0.6	5.7
£22½	715	F.S.Geduld 50c	£11½	−1⅛	Q200c	ϕ	12.6
260	50	F.S. Saaiplaas R1	90	−20	6c	2.6	4.8
465	170	Harmony 50c	295	−25	‡Q65c	1.9	‡
195	38	Loraine R1	95	−5	Q6c	0.5	4.6
£18½	10⅜	Pres. Brand 50c	987	−100	Q170c	ϕ	12.5
£13	395	Pres. Steyn 50c	750	−65	Q45c	ϕ	4.3
£23½	750	St. Helena R1	£12½	−1	Q170c	ϕ	9.9
174	70	Unisel	130	−5	—	—	—
330	125	Welkom 50c	215	−15	Q15c	ϕ	5.0
£25½	950	W.Holdings 50c	£15½	−1½	Q310c	ϕ	14.5

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
535	315	Ang. Am. Coal 50c	430	−2	MQ38c	2.8	6.4
375	185	Ang. Amer. 10c	254	−2	Q33c	1.9	9.4
£28¾	£10½	Ang. Am. Gold R1	£16	−¾	‡Q260c	1.3	‡
£13¾	800	Ang-Vaal 50c	975	−25	Q105c	3.3	8.0
199	101	Charter Cons.	134	−2	6.76	2.4	7.8
220	113	Cons. Gold Fields	151	−6	7.37	2.1	7.5
23½	13	East Rand Con. 10p	14½	......	1.0	2.2	10.6
330	150	Geduld Inv. R1	240	......	Q40c	1.5	12.1
£25	£12¾	Gen. Mining R2	£14½	−½	Q210c	2.1	10.5
£20⅝	10	Gold Fields S.A. 25c	£12¼	−¾	Q155c	1.2	9.2
£24	£11½	Jo'burg Cons. R2	£15½	......	Q170c	2.2	7.9
380	195	Middle Wit 25c	215	−5	Q35c	1.2	11.8
250	160	Minorco SBD1.40	168	......	Q2c	0.7	0.8
160	56	New Wit 50c	98	−7	Q18c	1.0	13.3
£14⅝	770	Patino NV Fls.5	£13½	+⅝	QC65c	0.8	3.1
810	310	Rand Selection 50c	470	......	‡Q75c	1.5	‡
543	355	Selection Trust	400	......	15.2	1.5	5.8
230	98	Sentrust 10c	140	−10	Q30c	1.4	15.5
66	29½	Silvermines 2½p	36	+1	3.0	1.6	12.8
£12½	700	T'vaal.Cons.Ld.R1	975	−25	Q75c	ϕ	5.7
310	110	U.C. Invest R1	160	−10	‡Q36c	1.0	‡
465	175	Union Corpn. 6.25c	255	−5	‡Q36c	1.4	10.2
90	45	Vogels 2½c	73	−2	‡Q6½c	1.2	6.4

DIAMOND AND PLATINUM

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£32½	£17½	Anglo-Am.Inv.50c	£20¼	−¼	‡Q244c	1.6	8.7
122	68	Bishopsgate Pl. 10c	78	−2	Q8.0c	ϕ	7.4
335	187	De Beers Df. 5c	204	......	Q28c	2.2	9.9
£14	850	Do. 40pc Pf. R5	950	+50	Q200c	12.8	15.2
128	68	Lydenburg 12½c	77	−1	Q7.2c	ϕ	6.8
123	93	Rus. Plat. 10c	104	−2	gQ5c	—	3.5

CENTRAL AFRICAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
165	53	Coronation 25c	66	−10	‡Q34c	2.1	‡
130	68	Falcon Rh.50c	100	−5	Q35c	ϕ	—
25	9	Rhod'n Corp. 16⅔p	14	......	0.56	6.0	6.1
195	120	Roan Cons. K4	135	−5	—	—	—
178	140	Tanganyika 50p	152xd	−2	Q10.0	0.8	6.6
70	65	Do. Pref. 80p	70	......	Q9	10.2	10.7
54	25	Wankie Col. Rh.1	44	......	Q7½c	ϕ	12.3
46	16	Zam.Cpr.SBD0.24	17	......	—	—	—

AUSTRALIAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
33	18	Acmex 25c	22	......	—	—	—
323	132	A. M. and S. 50c	237	+5	ϕ†Q7c	1.5	2.3
165	96	Bougainville 50 Toea	120	+2	Q10c	ϕ	6.6
235	110	BH South 50c	113	+3	—	—	—
75	15	G.M. Kalgoorlie $1	20	......	—	—	—
106	58	Hampton Areas 5p	76	+2	1.3	5.0	2.6
86	34	Metals Ex. 50c	34	−2	—	—	—
24	12	Metramar 20c	22	......	—	—	—
294	200	M.I.M. Hldgs. 50c	206	+2	Q4½c	1.8	1.7
105	25	Mount Lyell 25c	30	......	—	—	—
3	2	Newmetal 10c	2½	......	—	—	—
113	64	North B. Hill 50c	101	+3	Q9c	1.5	6.9
9	5	Nth. Kalgurli	5	−1	—	—	—
112	65	Oakbridge $A1	93	−1	Q9c	1.5	7.7
36	14	Pacific Copper 25c	22	......	—	—	—
£19½	725	Pancont'l 25c	850	+100	—	—	—
17	9	Paringa M&Ex 5p	9	......	—	—	—
492	345	Peko-Wallsend 50c	380	......	Q15c	ϕ	3.1
900	60	Poseidon 20c	75#	......	—	—	—
13	6	Vultan Min. 50c	6	......	—	—	—
9	4	Westmex 10c	5	......	—	—	—
*199	127	Westn. Mining 50c	150	+2	Q5c	1.3	2.6
75	36	Whim Creek 20c	55	......	—	—	—

TINS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
45	28	Amal. Nigeria	32	......	0.93	0.9	4.5
340	160	Ayer Hitam $M1	330	......	23.0	ϕ	10.7
32½	17	Beralt Tin	29½xd	−½	24.0	2.8	20.9
415	315	Berjuntai $M25	390	......	Q$M1.5	ϕ	9.5
18	12	Ex Lands 10p	12	......	1.0	1.7	12.8
265	155	Geevor	230	+5	5.0	—	3.3
14	6	Gold & Base 12½p	9	......	—	—	—
250	170	Gopeng Cons.	235	......	†11.0	1.3	7.2
80	64	Hongkong	72	......	—	—	—
70	56	Idris 10p	60	......	7.15	1.5	19.3
7½	6	Jantar 12½p	6	......	—	—	—
42	31	Kamunting 15p	36	−1	‡7.0	1.2	‡
260	135	Killinghall	260	......	Q50.0	1.2	19.2
240	168	Malay Dredging	215xd	−2	11.0	ϕ	7.9
38	20	‡Pahang	27#	......	Q2.5	ϕ	‡
55	40	Pengkalen 10p	48	......	‡7.0	1.5	‡
135	104	Petaling $M1	135	......	Q12½c	—	2.3
46	17	Saint Piran	40	......	1.25	2.5	4.8
100	64	South Kinta (10p)	75	......	7.5	0.6	15.4
200	105	Stn. Malayan	177xd	......	11.6	ϕ	10.3
46	31	Sungei Besi $M1	43	......	—	—	—
42	29	Sungei Way $M1	42	......	ZQ10	—	5.9
48	40	Tanjong 15p	40	......	4.64	0.9	17.8
52	40	Tongkah Hrbr. $M1	42	......	‡Q23%	0.6	‡
110	56	Tronoh $M1	102	−1	†4.29	2.0	6.5

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST P2	46	......	—	—	—
335	155	Messina R0.50	178	......	†Q35c	1.9	14.2

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	20½	−½	—	—	—
990	550	Cons. Murch. 10c	630	−20	†Q80c	1.8	9.2
350	245	Northgate C$1	310	−5	—	—	—
239	132	R.T.Z.	158	−3	g5.96	2.1	5.8
112	67	Sabina Inds. C$1	69	−3	—	—	—
£15⅞	£10	Tara Expln. $1	£12½	−¼	—	—	—
45	32½	Tehidy Minerals 10p	38	......	†h1.08	ϕ	4.4
145	64	Yukon Cons. C$1	117	......	—	—	—

RUBBERS AND SISALS (last rows)

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10½	6	Malayalam 10p	9½	......	1.46	1.2	23.7
52½	42	Muar River 10p	43½xd	−½	1.55	ϕ	5.1
69	39	Pataling 10p	60	......	ϕ†2.23	1.5	5.7
38	32	Plantation Hldgs. 10p	33	......	†1.77	1.5	8.3
£10½	900	Sungei Krian £1	£10	......	32.31	1.7	5.0

TEAS

India and Bangladesh

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
125	90	Assam Dooars £1	120	......	8.51	2.7	10.9
162	90	Assam Frontier £1	146xd	+1	7.86	ϕ	8.3
51	42½	Assam Invs. £1	46	......	3.3	3.0	11.0
160	95	British Indian £1	160	......	5.0	2.0	4.8
6	3¾	Empire Plants 10p	5¼	+¼	0.65	2.3	21.1
130	113	Jokai £1	128	......	7.15	4.6	8.6
91	65	Longbourne £1	84xd	−1	3.85	ϕ	7.0
175	115	McLeod Russell £1	123	......	6.46	3.9	8.1
140	95	Moran £1	120	......	†5.76	6.1	7.4
8½	5¾	Singlo Hldgs. 10p	7½	......	0.78	1.8	18.5
101	74	Warren Plants.	88	......	†7.8	3.1	13.6
83	66	Williamson £1	73	+1	4.95	3.1	10.4

Sri Lanka

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
59	40	Lunuva £1	59	......	3.25	0.9	8.5

Africa

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
48	32	Bandanga Hldgs.	34	......	g3.48	1.9	15.8
190	170	Blantyre £1	185	......	15.27	1.7	12.7
46	36½	Ruo Estates	46	......	4.22	ϕ	14.1

MINES

CENTRAL RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
600	150	Durban Deep R1	350	−10	‡Q20c	5.5	‡
510	170	East Rand Prp. R1	260	−10	‡Q35c	5.1	‡
£23¾	935	Randfont'n Est. R2	£22¾	−1	ZQ100c	—	3.2
350	75	West Rand R1	170	−5	Q10c	2.2	4.3

EASTERN RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
200	65	Bracken R1	105	−4	Q25c	ϕ	17.1
40	8	East Daggs R1	10	−2	—	—	—
—	—	Govmnt. Areas 5c	140#	......	—	—	—
128	30	Grootvlei 20c	97	−7	‡Q20c	1.5	‡
330	140	Kinross R1	260	−20	Q32c	ϕ	8.9
67	24	Leslie 70c	41	......	Q9c	ϕ	15.9
230	30	Marievale R0.50	90	−8	‡Q52c	1.4	‡
*148	40	S. African Ld. 35c	60	−2	‡Q30c	2.0	‡
105	28	Vlakfontein R1	52	−1	‡Q20c	1.2	‡
885	290	Winkelhaak R1	490	−10	Q76c	ϕ	11.2
50	13	Wit. Nigel 25c	30	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Wednesday November 17 1976

Separatists win Quebec election

BY ROBERT GIBBENS

MONTREAL, Nov. 16.

CANADA was to-day trying to assess the implications of the spectacular electoral upset which swept the separatist Parti Québécois of Mr. Rene Lévesque into power in Quebec yesterday.

The Parti Québécois, borne out the separatist movement of the late Sixties, which received world-wide publicity with General de Gaulle's notorious "Vive la Quebec Libre" call on a visit to Montreal, this morning had won 69 seats in the 110-seat legislature, destroying the Liberal government of Mr. Robert Bourassa, the Premier, who lost his own Montreal seat to Mr. Gerald Godin, of the PQ, a journalist.

In the 1973 election Mr. Bourassa's Liberals won 102 of the 110 seats and the Parti Québécois only six. To-day, with most of the votes counted, the Liberals had 28 seats, the resurgent Union Nationale—which lost all its seats in 1973—had 11, the Parti National Populaire one and the Creditistes one.

Call for calm

Mr. Lévesque last night was quick to call for calm and undertook to put off the party's commitment to separatism to await a referendum, expected in some quarters to be called within two years. But as the extent of Mr. Lévesque's victory became known Mr. Pierre Trudeau, the Canadian Prime Minister, went on television to read a statement which, though promising co-operation with the new government, was clearly apprehensive over future developments in the province.

Mr. Trudeau, who has clashed with Mr. Lévesque in the past, said he was confident that the population of Quebec would reject separatism despite the PQ's victory. He said if Mr. Lévesque's campaign assurances that separation was a long-term, low-priority issue were to be accepted at face value, "we must conclude that the people of Quebec did not vote on constitutional, but on economic and religious issues, and that Mr. Levesque and his party have been granted a mandate to form a provincial government, not to separate from the rest of Canada."

Casualties in the cabinet included Mr. Guy Saint-Pierre, the Industry Minister. He was defeated in a Montreal suburb. Mr. Raymond Garneau, the Finance Minister, was re-elected in his Quebec constituency.

Mr. Bourassa and his advisers misjudged the electorate's feelings when he called the election a month ago. The unions, —ing at pay restraint and unemployment running at about 10 per cent., were out to defeat the government and came close to publicly endorsing the Pari Quebecois.

Business generally was stunned by the PQ victory, having traditionally backed the Liberals. The main fear is the PQs commitment to separatism and the Left-wing leanings of its programme and some of its supporters.

But leading businessmen noted the Liberals and the Union Nationale (committed to federalism) outweigh the Parti Quebecois in the National Assembly.

Mr. Paul Pare, president of Imasco, formerly Imperial Tobacco Company of Canada, said: "The Parti Quebecois tapped the tide of discontent with the Liberals' performance. I'm not dismayed. They are sensible people who want to try to do what Quebecers want. It is true many people will be examining their investment plans for Quebec very carefully. But Imasco has been in Montreal for more than 60 years and we intend to remain an integral part of the province."

Cool view

The Quebec division of the Canadian Manufacturers Association took a cool view. "The electorate expressed disastisfaction with social and economic trends. We hope Mr. Levesque wil give top priority to economic performance. He must take steps to improve the social climate, encourage investment and reduce the high unemployment rate. He must try to rid the social envorinment of the abuse of power by big unions," it said.

The Canadian dollar and share prices fell in the wake of the election. Sterling gained about a cent. in London against the Canadian currency. Share losses included Hudson's Bay, down 50p to £13.

Feature, Page 29

West tries to persuade OPEC not to increase oil prices

BY REGINALD DALE

THE WESTERN nations are launching a major diplomatic initiative to try to dissuade the oil-producing countries from raising oil prices when they meet in Doha, Qatar, next month.

Following consultations in the EEC and the Paris-based International Energy Agency, the industrialised countries have agreed to put their case to members of the Organisation of Petroleum Exporting Countries (OPEC).

Britain, for example, will make the point to Venezuela when the country's President, Sr. Carlos Andrés Pérez, visits London next week, and is also expected to contact the Saudi Arabians.

Each approach will be made individually and there will be no joint initiatives. The aim is *to avoid giving the impression* that the Western countries are "ganging up" on OPEC, for fear of strengtheing OPEC solidarity.

Britain and other Western countries are trying to prevent the oil price issue getting strangled in talks in Paris about the major issues dividing the industrialised West and the developing countries. The latest session started yesterday in preparation for the planned Ministerial closing session scheduled for December 15 to 17.

Most Western governments fear that they may be forced to grant bigger concessions on issues such as debt relief, if oil prices are thrown into the bargaining in Paris. But the nine EEC countries, at a meeting in Brussels yesterday, delayed a final decision on how to handle the conclusion of the talks until a meeting in the *Hague* later this month.

The OPEC countries, however, increasingly look like trying to link the two issues, with suggestions that theDoha meeting might be postponed so that the results of the Paris talks can be assessed before a final decision is taken on the oil price.

The expectation in London is that the *Doha* meeting, originally scheduled for December 15, may not now take place until December 20—three days after the ministerial session in Paris is due to end.

But the whole timetable is still undecided. The Paris meeting may be postponed to the New Year. Two EEC countries, Germany and Belgium, believe that the talks should be extended, while a number of developing countries also favour continuing into next year in the hope of securing a better deal from the new Carter Administration in Washington.

Meanwhile, the OPEC Economic Commission continued preparatory discussion of an oil price increase in Vienna yesterday. Officials said the 13 members were still divided about the amount, but an in*crease would almost certainly* be proposed. Saudi Arabia favoured a "modest" increase of 10 per cent., while some hardliners, led by Iran, wanted 25 per cent., they said.

OPEC meeting, Page 7

Warning device for disasters

A DEVICE which, it is claimed, could prevent future disasters such as that at Flixborough was demonstrated at the Imperial College of Science and Technology in London yesterday.

The "Anticipator" can draw attention to potentially-hazardous changes in operating conditions in industrial and chemical plants.

Continued from Page 1

Carter favours sterling talks

already begun considering a number of proposals about the sterling balances. The British economic crisis is, one said, "very high" on Mr. Carter's agenda.

His advisers apparently share the present Administration's view that Britain must agree to then adhere to, the IMF's conditions as soon as possible.

They also *stress* that the problem must be viewed in the context of U.S. relations wit hEurope as a whole. Mr. Carter put great emphasis during his campaign on the need for closer co-operation between the U.S. and its European allies.

Partly because of this, and also because some of them think that Britain is now unfairly burdened by the pound's role as *a reserve currency*, Mr. Carter's advisers favour early talks about the sterling balances.

As yet, they have no preferred way of dealing with the problem. One idea being considered is that holders of sterling, who wish to do so, should be able to exchange pounds for Special Drawing Rights roughly along the line suggested by the Morse Committee on the Reform of the International Monetary System.

These proposals are to be found in an annexe to the committee's report drawn up in 1972-73.

Some advisers envisage the U.S., Germany and Japan playing a "backstopping" role in the immediate future while the IMF *negotiates the precise details of* such an arrangement.

But htey readily acknowledge that SDRs might not be attractive to present holders of sterling, that there are a host of difficult details needing to be worked out, and that some members of the IMF might object to issuing more SDRs.

A second scheme attracting some interest is one under which the private capital markets would lend long-term funds to the British Government once it has agreed to the IMF's conditions.

This would be for the express purpose of liquidating the sterling balances, but also has a number of problems attached.

These private loans might be guaranteed by Western Governments, according to the -pro ponents of this scheme, but they concede that this might be difficult to work in practice.

The advisers also recognise that it is possible that the best arrangement might still be a modified version of the 1968 Basle Agreement under which the exchange rate was guaranteed and a standby fund established on which Britain could draw if necessary.

But while interested in trying to find a solution once for all to the problems of the balances, the advisers are clearly determined to avoid setting any precedent which might limit their actions over the dollar and *its reserve role*.

"We do not want to commit ourselves without great care to guaranteeing exchange rates or reserve currencies in case we ever find ourselves in even remotely similar problems with the dollar," one said.

Continued from Page 1

Strike survey causes alarm

Department of Employment will not draw undue attention to it when the DE Gazette is published.

One of the most important questions will be whether the figures are explained by the fact that Merseyside and Clydeside have a high concentration of strike-prone industries like docks and shipbuilding, or whether, as is being suggested, the industrial structure has been allowed for in the figures in order to arrive at a picture of how and why workers' attitudes vary from region to region.

The three Departments are all involved in regional aid. The Department of Industry has a special unit to advise investors on grants inthe three types of aided areas—intermediate, development and special development.

Its Industrial Development Unit handles about 5,000 inquiries a year from potential investors, with the DTI's regional offices logging an estimated 2,000-3,000. The total number of inquiries from foreigners is about 250 a year. The Department does not know how many of these inquiries turn into projects.

There is little doubt that when the figures do appear, the Government will be at pains to talk down their significance. They will certainly be drawing attention to other figures, already announced in advance by Mr. Albert Booth, Employment Secretary, which show that 98 per cent. of all factories in Britain were free of strikes last year and possibly also in preceding years.

Whatever is said about the regions, overall there is now little doubt that British strike figures are showing the most rapid and sustained improvement since the Second World War. This is the message that the Government has been most anxious to hammer home.

The DE statistics may be delayed because 22,000 civil servants in the Department have banned such work in protest at a proposed cut in manpower.

McFadzean hits out over State interventions

BY OUR INDUSTRIAL STAFF

AN OUTSPOKEN attack on Government intervention in industry was made yesterday by Sir Frank McFadzean, chairman of the State-owned British Airways Corporation.

He accused politicians and civil servants of "playing God in the market place with disastrous consequences."

Sir Frank, former chairman of Shell who took over the helm at *British Airways in July*, was speaking at the opening of a new business school at the University of Strathclyde, Scotland.

He insisted that Britain no longer had a Government in the traditional or classical sense of the term. Instead Government had become a "vast industrial conglomerate, piling one unhappy acquisition on top of another, without purpose or direction, devoid over large areas of any proper system of financial control."

Prisoners

It was presided over at the apex by a largely untrained, inharmonious management playing musical chairs at a speed which precluded all but its most intelligent members from acquiring sufficient elementary knowledge, let alone expertise, to make even a minor contribution to the solution of the cascade of problems which a structure of this nature created.

"The result is that most politicians either become prisoners of their civil servants or indulge in intermittent intervention, which is often un-informed and destabilising."

Sir Frank said the diaries of the late Mr. Richard Crossman confirmed what had long been suspected—"that important decisions are in many cases taken with a totally inadequate analysis of the problems concerned and with a levity that borders on the irresponsible.

"The machine, in short, is grossly overloaded."

The Government conglomerate was now involved in "an almost unbelievably wide range of activities" ranging from airways gas and railways to Covent Garden market, motor cars, machine tools, Cable and Wireless and others.

About the only thing that all these organisations had in common was "near immortality."

Arrogant

Sir Frank declared that the reason for the sharp growth in public spending had been "to some degree emotional and irrational." It would be surprising if a rigorous efficiency audit could not produce savings of 5 per cent. to 10 per cent. which would go some way to restoring a better balance between revenue and expenditure.

Of calls to nationalise banks and insurance companies, Sir Frank said: "The constant and noisy appeal to the public interest is a device used to hide the fact that what we are really dealing with is the subjective judgements of certain politicians who arrogantly asume that they know better what is good for the consumer than the consumer himself."

The preservation of democracy and even elementary efficiency required that the horizons of politicians and civil servants should be contained and then pushed back.

"They have been playing God in the market place for too long with the disastrous consequences that are all around us to see." Even if the "juggernaut's" progress was reversed, however, Britain would still be left with a very substantial public sector.

Murdoch has talks on Observer

BY KEVIN DONE, INDUSTRIAL STAFF

ONE OF the remaining contenders in the battle to takeover the Observer newspaper, Mr. Rupert Murdoch, arrived in London from the U.S. yesterday for discussions with Lord Goodman, chairman of the Observer Trust.

Mr. Murdoch, who owns several newspapers including the Sun, said his visit had been arranged some time ago and was uncon*nected with negotiations with* the Observer.

Basic stance

However, following a rapidly arranged meeting with Lord Goodman, he said: "I am available to talk to the trustees when they are ready. I am not a firm bidder, that would be overstating the position."

The meeting with Lord Goodman apparently did little to alter Mr. Murdoch's basic stance that he is ready to reconsider his position, only if all the Observer chapels (union office branches) welcome his intervention. He said: "I have received intimation that that is the case," but this had only been on an unofficial level.

Lord Goodman took steps yesterday to defuse speculation provoked by Mr. Murdoch's only serious remaining rival, Associated Newspapers, that its bid was about to be accepted.

Mr. Vere Harmsworth, chairman of Associated Newspapers which owns the Daily Mail and the London Evening News, broke a long period of silence to say that he saw no reason why his bid should fail.

An article printed in his publication, the Evening News, suggested: "Staff at The Observer believe that a decision on the future of their newspaper will be announced to-morrow. It is rumoured that the new owner may be the Hon. Vere Harmsworth."

However, Lord Goodman made it clear yesterday that such a sudden outcome to The Observer saga was unlikely. "But I am hoping that within the next few days the matter will be determined," he said. "So the world that is hanging on our words must wait a little longer."

Mr. Murdoch's arrival brings the takeover battle close to a denouement and the trustees are expected to be assembled for a hurried meeting either to-day or to-morrow.

He spelled out last night the future he is planning for the paper, if his bid succeeds, and confirmed that be would be bringing in some senior editorial staff from his News International Group.

"It must be strengthened and extended in all directions if it is to be made viable. To attract more circulation and advertising we would build on the traditional readership. The paper would be "independent in the existing tradition of the Observer."

The style of the paper under Mr. Murdoch would be "upmarket and quality," aimed at "the more affluent and educated minority of the market" that is catered for by the Sunday Times, of which Mr. Murdoch admitted to being a great admirer.

Mr. Murdoch said he envisaged a rising circulation that would restore the general confidence of the business community.

Weather

U.K TO-DAY

MAINLY dry with sunny periods but cloudy with rain in N. Ireland and W. Scotland.

London, S.E. England, E. Anglia

Dry with mist and fog at first, sunny later. Wind light. Max. 10C (50F).

Cent. S., E., N.E. England, Midlands, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth, N.E. Scotland

Mainly dry, becoming cloudy. Wind light. Max. 10C (50F).

Channel Is., S.W. England

Dry, bright or sunny spells. Wind light. Max. 11C (52F).

N. and S. Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow, Cent. Highlands, Orkney, Shetland

Fog at first becoming cloudy. Wind light. Max. 10C (50F).

Argyll, N.W. Scotland, N. Ireland

Cloudy, rain or drizzle, hill and coalstal fog. Wind moderate. Max. 10C (50F).

Outlook: Cloudy with some rain. Central and S.E. will be mostly dry at first.

Lighting-up: London 16.39, Manchester 16.39, Glasgow 16.37, Belfast 16.47.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	24	75	Madrid	S	10	50
Amsterdm.	C	6	43	Manchstr.	S	10	50
Athens	S	18	64	Melbourne	C	14	57
Barcelona	S	12	54	Milan	S	11	52
Belfast	S	9	48	Moscow	C	1	34
Belgrade	R	7	45	Munich	C	5	41
Berlin	D	6	43	Newcastle	C	10	50
Birm'ham	R	9	48	New York	S	8	46
Bristol	R	10	50	Oslo	Sn	−2	28
Brussels	C	7	45	Paris	F	9	48
Budapest	C	8	46	Perth	F	25	77
B. Aires	C	23	73	Prague	R	4	39
Cairo	S	24	74	Reykjavik	F	4	39
Cardiff	D	10	50	Rio de J'o	C	28	82
Cologne	C	7	45	Rome	F	16	61
Copenhgn.	C	5	41	Singapore	S	28	82
Dublin	S	9	48	Stockholm	C	3	37
Edinbrgh.	S	10	50	Strasbg.	C	7	45
Frankfurt	C	7	45	Sydney	F	21	70
Geneva	C	7	45	Tehran	S	11	52
Glasgow	S	10	50	Tel Aviv	S	24	75
Helsinki	C	2	36	Tokyo	C	10	51
H. Kong	C	19	66	Toronto	S	6	43
J'burg	C	24	75	Vienna	C	8	46
Lisbon	S	13	55	Warsaw	R	6	43
London	C	10	50	Zurich	C	7	45
Luxembg.	C	6	43				

HOLIDAY RESORTS

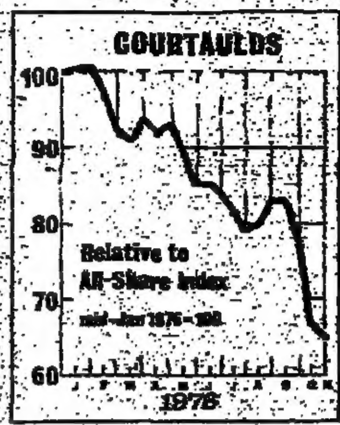
		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	F	15	59	Las Palmas	C	21	70
Algiers	C	15	59	Locarno	S	12	54
Biarritz	S	9	48	Majorca	F	15	59
Blackpool	S	10	50	Malaga	S	17	63
Bordeaux	F	9	48	Malta	S	19	66
Boulogne	R	6	43	Nairobi	S	24	75
Casablnca	S	17	63	Naples	F	14	57
Cape Tn.	C	20	68	Nassau	C	27	81
Corfu	F	17	63	Nice	S	16	61
Dubrovnik	C	14	57	Oporto	S	14	57
Faro	S	15	59	Rhodes	F	21	70
Funchal	C	19	66	Salzburg	R	5	41
Gibraltar	F	17	63	Tangier	S	18	64
Guernsey	R	9	48	Tenerife	C	16	61
Innsbruck	C	6	43	Tunis	C	14	57
Inverness	S	8	46	Valencia	S	14	57
Jersey	R	10	50	Venice	S	13	55

C—Cloudy. D—Drizzle. F—Fine. R—Rain. S—Sunny. Sn—Snow.

THE LEX COLUMN

Cash trends at Courtaulds

Index fell 1.6 to 310.2



The Government Broker appeared content to rest on his laurels yesterday—the last day of the banking month for gilt-edged sales—after disposing of probably well over £100m. of the 1982 tap stock on Monday. Given the low central Government borrowing requirement for the period, and sizeable gilt sales, it should have been a good month for the authorities in terms of control of the monetary aggregates. As for October, although probably not as monetarily restrictive as at one time thought, the month is unlikely to have shown growth in M3 of more than about 0.6 per cent. when the figures are published at the week-end.

Courtaulds

Courtaulds' paint and packaging divisions have done reasonably well in the first half of 1976-77, and its operations overseas have recovered noticeably. Sales by the overseas subsidiaries are up by a half in sterling terms, France is back in the black, and the overseas tax charge has nearly doubled. But there is no overall improvement in group profits, which at £21.8m. pre-tax compare with £79.3m. two years ago.

So it looks as though U.K. textiles and fibres were barely profitable in the period, even though total export volumes rose by no less than 30 per cent. However export values rose by just 34 per cent., despite the fall in sterling and the fact that something like 70 per cent. of the export business is denominated in foreign currencies. The comparisons are distorted by some very profitable export contracts a year ago, but export prices have clearly remained very tight.

The pattern here is now improving. Export prices, which at one stage in the slump fell to well below domestic levels, are promising to move ahead of them again, and volume remains very firm. Overall levels of activity have picked up in the U.K., particularly in acrylics—an important area for Courtaulds, and one where profitability in the first half was held back by the cost of running-in new plant.

For these reasons, Courtaulds is continuing to forecast an improvement in its trading results over the rest of the year, and has increased its interim dividend by the maximum—which came as a welcome relief to the stock market. The full year figures will have to bear provisions of, say, £15m.-£20m. against the recent closures, which could net down to £5m.-£10m. after exchange surpluses. But considering that the group's capital employed is close to £1bn., it would only take a marginal shift in profitability to transform the figures.

However, it is doubtful whether the group is going to make enough in this upturn to restore its financial muscle. Its net cash balances, which amounted to almost £150m. at the end of 1974-75, have now disappeared and although stock volumes are decreasing, inflation has helped to push the value of working capital up by £60m. in the half-year. Courtaulds is financially very much stronger than most of its continental rivals and its export figures show that it is gaining market share. But the share price trend, and the prospective yield of 12½ per cent., highlight the uncertainties.

Royal Insurance

After a disastrous first quarter and an exceptional second quarter, Royal Insurance's third quarter profits of £18.6m. are more in line with the underlying performance. After nine months, pre-tax profits of £58.1m. are 135 per cent. up on a year ago and already comfortably top the 1972 peak of £50.8m., with the prospect of around £75m. for the full year. Admittedly over £10m. of the improvement reflects the favourable impact of sterling depreciation on investment income, together with the benefits of last year's rights issue.

The only real surprise in the figures is that the recovery in Royal's U.S. underwriting business appears to be [illegible] behind that of General A[illegible] whose third quarter U.S. [illegible] ing ratio of 100.1 per [illegible] was almost six points [illegible] Clearly, Royal has been [illegible] ing from its heavier ex[illegible] to workers' compensation [illegible] U.S. (which has been d[illegible] ating) whilst GA has be[illegible] from its larger personal b[illegible] which, by contrast, ha[illegible] steadily improving. W[illegible] premiums only 9 per cent [illegible] in dollar terms (even af[illegible] substantial rate increases [illegible] is being very choosy abo[illegible] business. In problem are[illegible] seeking to increase its r[illegible] up to 100 per cent. but [illegible] is unsure that it will brea[illegible] in the U.S. in 1977.

Philips Lamps

Philips is going to [illegible] target of 7 per cent. gr[illegible] sales volume this year [illegible] outlook for earnings ap[illegible] have deteriorated fairly [illegible] ally between the group's [illegible] and third quarters. [illegible] have eased at the tradin[illegible] after having moved up s[illegible] in each of the four p[illegible] quarters, and it is clear t[illegible] strength of the guilder [illegible] ing to sizeable currency [illegible] sions lower down the p[illegible] account. As a result [illegible] estimates of earnings pe[illegible] in 1976 have been reduc[illegible] perhaps Fls.3.50 to [illegible] Fls.3.00, against an [illegible] Fls.1.28 in 1975.

The group is moving [illegible] the U.S. (15 per cent. [illegible] sales) and last year's tw[illegible] sitions have apparently [illegible] out of the red. But Ger[illegible] flat and France is not [illegible] better—and these are [illegible] areas for the volume [illegible] consumer division. Amo[illegible] major laggards the U.K. [illegible] could be losing mone[illegible] Argentina are singled [illegible] special mention.

Sales are forecast to [illegible] around Fls.30½bn. by [illegible] year and margins are e[illegible] to hold on to their nin[illegible] level. So trading pr[illegible] Fls.1.3[illegible]n. are in prosp[illegible] pared with Fls.1.25bn. [illegible] On that basis the final [illegible] is slowing noticeably [illegible] rapid recovery earlier [illegible] and that is going to cast [illegible] over prospects for 1977 [illegible] the Amsterdam share pr[illegible] steady yesterday at [illegible] where the prospectiv[illegible] roughly halves to aroun[illegible] U.S.-style accounting.

Registered at the Post Office. [illegible]